Senate Bill No. 84

CHAPTER 25

An act to amend Section 3273 of the Civil Code, to amend Section 4061 of the Food and Agricultural Code, to amend Sections 905.2, 4467, 4470, 8600, 11011.1, 12432, 13400, 13401, 13402, 13403, 13404, 13405, 13406, 13407, 13974.1, 16522, 16551, 16552, 16553, 16554, 16626, 16627, 16628, 16629, and 27397 of, to amend the heading of Chapter 5 (commencing with Section 13400) of Part 3 of Division 3 of Title 2 of, to add Sections 8619.5, 17604, 19213, 21231, 21232, 65050, and 65051 to, and to add Article 3.9 (commencing with Section 8574.30) and Article 5.9 (commencing with Section 8590.6) to Chapter 7 of Division 1 of Title 2 of, the Government Code, to amend Sections 50661 and 50716 of, and to add and repeal Chapter 4 (commencing with Section 34090) of Part 1.6 of Division 24 of, the Health and Safety Code, to add Sections 10089.395 and 10089.397 to the Insurance Code, to amend Sections 6309 and 7314 of the Labor Code, to amend Section 10340 of the Public Contract Code, and to amend Sections 10878, 41030, 41032, 42010, and 42023 of, and to add Sections 17138.3, 24308.7, 42010.7, 42023.5, 42101.7, and 42104 to, the Revenue and Taxation Code, relating to state government, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor June 24, 2015. Filed with Secretary of State June 24, 2015.]

LEGISLATIVE COUNSEL'S DIGEST

SB 84, Committee on Budget and Fiscal Review. State government.

(1) Existing law prohibits a person, firm, corporation, or association that is a nongovernmental entity and contracts to perform public health and safety labor or services for a public agency from displaying on a vehicle a logo of the public agency that reasonably could be interpreted or construed as implying that the labor or services are being provided by employees of the public agency, unless the vehicle conspicuously displays a specified statement. Existing law similarly prohibits a person or employee of that entity from wearing a uniform bearing a logo of the public agency that reasonably could be interpreted or construed as making that implication, unless the uniform conspicuously displays the logo and specific additional information. Existing law defines "public health and safety labor or services" to include emergency medical services.

This bill would revise that definition to include prehospital emergency medical services.

(2) Existing law divides the state into agricultural districts, and provides for the management of these districts by district agricultural associations. Existing law excludes district agricultural associations from preparing or

submitting any written report to the Governor, the Legislature, or a state agency, except as specified.

This bill would require a district agricultural association to annually report its real property information to the Department of General Services, as specified.

(3) Existing law, relating to the California Victim Compensation and Government Claims Board, cross-references an item code number used in administering the annual Budget Act.

This bill would make a technical amendment to update the cross-reference to use the current item code number.

(4) Existing law requires the State Architect to establish a certified access specialist program (CASp) and authorizes the State Architect to require applicants to pay specified fees to meet the costs of administering the program. Existing law imposes, on and after January 1, 2013, and until December 31, 2018, an additional state fee of $1 on any applicant, as specified, and divides the moneys received between the local entity that collected the moneys and the Division of the State Architect, pursuant to specified percentages. Existing law requires a local entity collecting the additional fee and the Division of the State Architect to each make an annual report to the Legislature and to the chairs of specified committees. Under existing law, a local entity is required to include in the report moneys spent to increase CASp services and to fund programs to facilitate compliance.

This bill would require a local entity collecting the additional fee to instead report to the Division of the State Architect, and would expand the information required in the report to include activities undertaken to increase CASp services and to facilitate accessibility compliance. The bill would also require the Division of the State Architect to include in its report to the Legislature the total fees collected by each city, county, or city and county.

By revising and expanding the duties of local governments with respect to the reporting of CASp fees, this bill would impose a state-mandated local program.

(5) The California Emergency Services Act requires the Governor to coordinate the State Emergency Plan and any programs necessary for the mitigation of the effects of an emergency in this state, as specified.

The act authorizes the Governor, with advice of the Office of Emergency Services, to divide the state into mutual aid regions for the more effective application, administration, and coordination of mutual aid and other emergency-related activities.

This bill would require the Office of Emergency Services to coordinate response and recovery operations in each mutual aid region. The bill would require the office, in consultation with relevant local and state agencies, to develop and adopt a state fire service and rescue emergency mutual aid plan that would be an annex to the State Emergency Plan.

(6) Existing law establishes the Railroad Accident Prevention and Immediate Deployment Force in the California Environmental Protection Agency and designates the force as being responsible for providing immediate onsite response capability in the event of a large-scale release

of toxic materials resulting from a surface transportation accident. Existing law requires the agency to develop a state railroad accident prevention and immediate deployment plan, in consultation with specified state entities, other potentially affected state, local, or federal agencies, and affected businesses.

Existing law requires the Office of Emergency Services to serve as the central point in state government for the emergency reporting of spills, unauthorized releases, or other accidental releases of hazardous materials and to coordinate the notification of the appropriate state and local administering agencies that may be required to respond to those spills, unauthorized releases, or other accidental releases.

This bill would create the Regional Railroad Accident Preparedness and Immediate Response Force in the office, consisting of specified representatives, and would designate this force as being responsible for providing regional and onsite response capabilities in the event of a release of hazardous materials from a railcar or a railroad accident involving a railcar designated to transport hazardous material commodities, as specified. The bill would require the office, in consultation with specified entities, to develop a state regional railroad accident preparedness and immediate response plan that would be an annex to the State Emergency Plan. The bill would require the force and the Office of Spill Prevention and Response to coordinate in their respective authorities and responsibilities to avoid any duplication of effort, ensure cooperation, and promote the sharing of information regarding the risk of discharge of petroleum by rail into state waters.

This bill would require the Director of Emergency Services to establish a schedule of fees to be paid by a person owning any of the 25 most hazardous material commodities that are transported by rail in California. The bill would require that the fees be fair, as required by the federal Hazardous Materials Transportation Act, and state the intent of the Legislature that the schedule of fees reflect the proportionate risks to both the public safety and the environment resulting from a release of hazardous materials and the expense of preparing to respond to those risks. The bill would authorize the director to exempt from the fee a shipment of hazardous materials that meets certain criteria and prohibit the collection of fees in excess of the reasonable regulatory costs to the state. The bill would require the director to consider adjusting the fee not less frequently than every 3 years. The bill would require the director to create an industry advisory committee to advise the director on setting the fee and other policy matters. The bill would also require every person who operates a railroad that transports hazardous materials by railcar to register with the board and to remit the fees to the board pursuant to the Fee Collection Procedures Law. The bill would create the Regional Railroad Accident Preparedness and Immediate Response Fund in the State Treasury and would require that all revenues, interest, penalties, and other amounts collected pursuant to the bill’s requirements be deposited into the fund, less refunds and reimbursement to the board for expenses incurred in the administration and

collection of the fee. The bill would require that moneys in the fund, upon appropriation by the Legislature, be used by the director for specified purposes. The bill would provide the director with the authority to collect an amount in fees that does not exceed specified amounts for specified calendar years. The bill would require the director to contract with the Department of Finance for the preparation of a detailed report on the financial basis and programmatic effectiveness of the plan and fund. The bill would require the director, on or before January 1, 2019, and every 3 years thereafter, to submit the report to the Governor and the Legislature.

The Fee Collection Procedures Law makes a violation of any provision of the law, or of certain requirements imposed by the board pursuant to the law, a crime.

By expanding the application of the Fee Collection Procedures Law, the violation of which is a crime, this bill would impose a state-mandated local program.

(7) Existing law provides that a person who deprives or violates the personal liberty of another with the intent to obtain forced labor or services or for effecting or maintaining other specified felonies is guilty of the crime of human trafficking. Existing law creates the Office of Emergency Services in the Office of the Governor, under the supervision of the Director of Emergency Services, and commits to it the responsibility for the state's emergency and disaster services, as specified.

This bill would create the Human Trafficking Victims Assistance Fund and require money in the fund to be used by the Office of Emergency Services for the distribution of grants, as specified, to qualified nonprofit organizations, as defined, providing services to victims of human trafficking and for reimbursement of costs incurred by the office in distributing these grants.

(8) Existing law requires the Department of General Services to dispose of surplus state real property in a specified manner. Existing law requires a local agency or nonprofit affordable housing sponsor, in order to be considered as a potential priority buyer of surplus state real property, to notify the department of its interest in surplus state real property within 90 days of the department posting on its Internet Web site the notice of availability of the surplus state real property.

This bill would require the department to notify the chairpersons of the fiscal committees of the Legislature within 30 days of the expiration of the 90 day timeframe if no local agency or nonprofit affordable housing sponsor informs the department of its interest in acquiring the property within that period.

(9) Existing law authorizes the Controller, until June 30, 2015, to procure, modify, and implement a new human resource management system that meets the needs of a modern state government, known as the 21st Century Project.

This bill would extend that authorization for one year, until June 30, 2016.

(10) The Financial Integrity and State Manager's Accountability Act of 1983 requires state agency heads to be responsible for the establishment

and maintenance of systems of internal accounting and administrative controls and makes legislative findings and declarations in this regard. The act requires a system of internal accounting and administrative control to include specific elements, including, but not limited to, a system of authorization and recordkeeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures. The act requires a state agency head to conduct a biennial review and report the results to the Legislature, California State Auditor, Controller, Treasurer, Attorney General, Governor, and Director of Finance.

This bill would rename the act as the State Leadership Accountability Act and consolidate certain terminology in the act under the terms "agency head" and "state agency." This bill would modify the meaning of "internal control" to include, among other elements, 5 specified components. This bill would eliminate the requirement of submitting a biennial report to the Treasurer, Attorney General, and Governor, and additionally require submission to the Secretary of Government Operations.

(11) Existing law establishes the Missing Children Reward Fund, a continuously appropriated fund in the State Treasury, and authorizes the California Victim Compensation and Government Claims Board to make cash rewards from that fund to persons providing information leading to the location of any child listed in the missing children registry, as provided.

This bill would abolish the continuously appropriated Missing Children Reward Fund and transfer any remaining balance to the Restitution Fund, a continuously appropriated fund. This bill would require the board to instead make the cash rewards from the Restitution Fund. This bill would also make a technical amendment to these provisions.

(12) Existing law authorizes the Treasurer to deposit specified assets in his or her custody into the Federal Home Loan Bank of San Francisco or the Federal Reserve Bank of San Francisco, or a branch thereof.

This bill would, instead, authorize deposit into the Federal Home Loan Bank of San Francisco or any federal reserve bank, or a branch thereof, and would make conforming changes.

Existing law requires that banks, savings and loan associations, and credit unions deposit specified securities with the Treasurer in order to be eligible to receive and retain demand or time deposits of state funds, including, but not limited to, specified letters of credit issued by the Federal Home Loan Bank of San Francisco.

The bill would authorize an eligible bank headquartered outside of the state to submit letters of credit drawn on its regional federal home loan bank.

(13) The California Constitution requires the state, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, to provide a subvention of funds to reimburse the local government, with specified exceptions.

This bill would require the Department of Finance, in collaboration with the Secretary of State and the Legislative Analyst's Office, to convene a working group to evaluate alternatives for funding elections-related state mandates, and would require the Department of Finance to submit to the

Legislature a report that summarizes the findings of the working group, including recommendations to the Legislature. This bill would also require the Department of Finance to conduct a survey of county election officials during years in which a statewide general election is held to determine whether or not counties are carrying out the requirements set forth in specified state mandates relating to elections, and would require the Department of Finance to report the results of the survey to the Legislature, as provided.

(14) Existing law establishes the Department of Human Resources in state government to operate the state civil service system pursuant to Article VII of the California Constitution, the Government Code, the merit principle, and applicable rules duly adopted by the State Personnel Board. Existing law requires that civil service positions be filled by appointment, except as provided. Existing law, among other things, requires the department to propose legislation, as part of the 2015–16 fiscal year budget proposal submitted to the Legislature in January 2015, to establish the state's policy regarding the use of additional appointments for state employees.

This bill would define the term "additional appointment," would require an additional appointment to comply with state civil service laws and rules, and would require the department to adopt policies to advise state agencies regarding the procedures and appropriate use of additional appointments.

(15) The Public Employees Retirement Law (PERL) creates the Public Employees' Retirement System, which provides pension and other benefits to members of the system and prescribes conditions for service after retirement. The PERL permits a retired person to serve as an elective officer without reinstatement from retirement or loss or interruption of benefits, provided that his or her retirement allowance is suspended to the extent that the allowance is based on service in that elective office. The PERL also permits a person retired for disability to serve without reinstatement if the person is below the mandatory age for retirement for persons in the job in which the person will serve and he or she is not disabled for that employment. In this circumstance, the PERL prohibits service in a position from which the person retired or a position in the same member classification and requires reduction of the person's disability retirement pension during the employment to an amount that, when added to his or her compensation, equals the maximum compensation earnable by a person holding the position that he or she held at retirement. Effective on and after January 1, 2013, the California Public Employees' Pension Reform Act of 2013 (PEPRA) establishes various limits on retirement benefits generally applicable to specified public employee retirement systems and, among other things, prescribes limits on service after retirement without reinstatement that prevail over the provisions in PERL described above.

This bill would reenact the provisions regarding service after retirement in the PERL described above, to apply on and after the effective date of PEPRA.

(16) Existing law, the Electronic Recording Delivery Act of 2004, authorizes a county recorder, upon approval by resolution of the board of

supervisors and system certification by the Attorney General, to establish an electronic recording delivery system for the delivery for recording of specified digitized and digital electronic records, subject to specified conditions, including system certification, regulation, and oversight by the Attorney General. Existing law requires participating counties to pay for the direct cost of regulation and oversight by the Attorney General, and authorizes those counties to impose fees to cover those costs. Existing law also authorizes the Attorney General to charge a fee directly to a vendor seeking approval of software and other services as part of an electronic recording delivery system. Fees paid to the Attorney General under these provisions are deposited in the Electronic Recording Authorization Account, which is in the Special Deposit Fund and is continuously appropriated to the Attorney General for these purposes.

This bill would redesignate the Electronic Recording Authorization Account in the Special Deposit Fund as the Electronic Recording Authorization Fund in the State Treasury.

(17) Existing law establishes the Naturalization Services Program, administered within the Department of Community Services and Development, to fund community-based organizations in assisting legal permanent residents in obtaining citizenship.

This bill would establish the Statewide Director of Immigrant Integration in the Governor's Office of Planning and Research, appointed by the Governor, for the purpose of developing a comprehensive statewide report on programs and services that serve immigrants and programs and services currently managed by a state agency or department to support California immigrants. The bill would require the report to be submitted to the Governor and Legislature, on or before January 1, 2016. The bill would further require the office on or before July 10, 2017, to develop an online clearinghouse of immigrant services, resources, and programs. The bill would additionally require the director to monitor the implementation of statewide laws and regulations that serve immigrants. The bill would also create the Immigration Integration Fund, would authorize the fund to be funded by public and private donations, and would require those donations to be used, as specified.

(18) Existing law requires the Department of Housing and Community Development to provide rental-related subsidies to persons rendered homeless, or at risk of becoming homeless, due to unemployment, underemployment, or other economic hardship resulting from the state of emergency proclaimed by the Governor based on drought conditions. Existing law authorizes the department to administer the housing rental-related subsidies or contract with qualified local government agencies or nonprofit organizations to administer the program. Existing law establishes the Housing Rehabilitation Loan Fund and continuously appropriates moneys in the fund for specified purposes.

This bill would authorize the department to provide temporary assistance for persons moving out of a housing unit due to a lack of potable water resulting from the state of emergency proclaimed by the Governor relating to drought conditions if the person has exhausted all reasonable attempts to

find a potable water source and the housing unit is served by a private well or water utility with fewer than 15 connections that is running out of potable water due to drought conditions. The bill would authorize the department to administer the housing assistance or contract with qualified local government agencies or nonprofit organizations to administer the assistance. The bill would require the department to adopt guidelines to implement these provisions and exempt the department from the rulemaking provisions of the Administrative Procedure Act, as specified. The bill would repeal these provisions as of June 30, 2017.

The bill would also authorize the use of moneys in the Housing Rehabilitation Loan Fund, to the extent made available by the Legislature for the purpose of the above-described housing relocation program. This bill would require funds for these purposes that are not encumbered on or before June 30, 2017, to revert to the General Fund. By expanding the authorized use of a continuously appropriated fund, the bill would make an appropriation.

(19) Existing law authorizes the Director of Housing and Community Development to contract with local public and private nonprofit agencies to provide housing services, including shelter, education, sanitation, and day care services, for migrant agricultural workers, through the development, construction, reconstruction, rehabilitation, or operation of a migrant farm labor center. Existing law requires the department to make the Office of Migrant Services centers available for rent by persons or families experiencing economic hardships as a result of the drought.

This bill would require the department to additionally make the Office of Migrant Services centers available for rent by persons or families rendered homeless or at risk of becoming homeless as a result of the drought.

(20) Existing law establishes the California Earthquake Authority, administered by the Insurance Commissioner, and authorizes the authority to transact insurance in this state as necessary to, among other things, create and maintain, in collaboration or jointly with subdivisions and programs of local, state, and federal governments and with other national programs, programs and activities that mitigate seismic risks, for the benefit of homeowners and other property owners. Existing law establishes the Earthquake Loss Mitigation Fund, a subaccount of the California Earthquake Authority Fund, a continuously appropriated fund. Existing law authorizes the authority to apply money in the Earthquake Loss Mitigation Fund to supply grants and loans or loan guarantees to dwelling owners who wish to retrofit their homes to protect against earthquake damage, as specified.

This bill would recognize the existence of the California Residential Mitigation Program (CRMP), a joint powers authority created in 2012 by agreement between the California Earthquake Authority and the Office of Emergency Services. The bill would require the CRMP to implement a grant program and to give a grant to a qualifying owner of a single-family residential structure to defray the owner’s cost of seismic retrofit work to the structure, as specified. The bill would also require the CRMP to implement a grant program and, on or after July 1, 2017, authorize it to give

a grant to a qualifying owner of a residential structure that contains between 2 and 10 dwelling units to defray the owner's cost of seismic retrofit work to the structure, as specified. This bill would require the governing board of the CRMP, after providing notice and opportunity for public review and comment, to adopt policies and procedures necessary to implement the grant programs, to establish eligibility criteria for participation in the grant programs, and to establish criteria for determining the amount of a grant awarded under the grant programs.

Existing law, the Personal Income Tax Law and the Corporation Tax Law, provide for various exclusions from gross income in determining tax liability.

This bill would, for taxable years beginning on or after January 1, 2016, exclude from gross income an amount received as a loan, loan forgiveness, grant, credit, rebate, voucher, or incentive from the California Residential Mitigation Program or the California Earthquake Authority to assist a residential property owner or occupant with expenses or obligations incurred for earthquake loss mitigation, as defined.

(21) Under existing law, the Occupational Safety and Health Act of 1973, the Division of Occupational Safety and Health investigates complaints that a workplace is not safe, and may issue orders necessary to ensure employee safety. The act requires the division to investigate a complaint as soon as possible, but not later than 3 working days after receipt of a complaint charging a serious violation, as specified, and not later than 14 calendar days after receipt of a complaint charging a nonserious violation. Existing law requires the division to maintain the capability to receive and act upon complaints at all times.

This bill would require the division to prioritize investigations of reports of accidents involving death or serious injury or illness and complaints that allege a serious violation over investigations of complaints that allege a nonserious violation.

(22) Existing law requires the Division of Occupational Safety and Health to cause the inspection of all public conveyances, including elevators, dumbwaiters, and escalators, at least once a year. Existing law authorizes the division to fix and collect fees to cover the actual costs of having the inspection performed by a division safety engineer, and the costs related to regulatory development. Existing law requires these fees to be set forth in regulations and to be deposited in the Elevator Safety Account in the General Fund.

This bill would, for the 2015–16 fiscal year, suspend the fee for the annual and biennial inspection of conveyances on a one-time basis. It would, for the 2016–17 fiscal year and for every fiscal year thereafter, authorize the Director of Industrial Relations, upon concurrence of the Department of Finance to suspend or reduce this fee on a one-time basis in order to reduce the amount of moneys in the Elevator Safety Account. The bill would exempt the suspension or reduction of the fee from the Administrative Procedure Act.

(23) Existing law generally requires state agencies to obtain at least 3 competitive bids for each contract. Under existing law, this requirement does not apply under certain circumstances, including, among others, when the contract is with another state agency, a local governmental entity, an auxiliary organization of the California State University, an auxiliary organization of a California community college, a foundation organized to support the Board of Governors of the California Community Colleges, or an auxiliary organization of the Student Aid Commission, as provided.

This bill, until January 1, 2019, would additionally authorize a specified contract between the Office of Planning and Research, the Regents of the University of California, or an auxiliary organization of the California State University to include a subcontract that is not subject to certain competitive bidding requirements, as provided.

(24) Existing law requires the Franchise Tax Board to collect certain delinquencies related to vehicles, including, but not limited to, registration fees, transfer fees, and parking violation penalties, as though the delinquencies are taxes, as specified.

This bill would, on or after the effective date of the bill, additionally require the board to collect unpaid tolls, toll evasion penalties, and related administrative or service fees as though they are taxes.

(25) The Emergency Telephone Users Surcharge Act generally imposes a surcharge on amounts paid by every person in the state for intrastate telephone service to provide revenues sufficient to fund "911" emergency telephone system costs, and requires the Office of Emergency Services to annually determine the surcharge rate. Commencing with the calculation made October 1, 2015, existing law requires the office to compute the charges applicable to the intrastate portion of prepaid mobile telephony services, as provided.

The Prepaid Mobile Telephony Service Surcharge Collection Act establishes a prepaid MTS surcharge, as defined, based upon a percentage of the sales price of each retail transaction that occurs in this state for prepaid mobile telephony services, as defined, that is imposed in lieu of any charges imposed pursuant to the Emergency Telephone Users Surcharge Act and specified Public Utility Commission surcharges. That act requires the prepaid MTS surcharge to be annually calculated by the State Board of Equalization by November 1 of each year, commencing November 1, 2015, by using the emergency telephone user surcharge rate reported by the office and specified Public Utility Commission surcharges.

The Emergency Telephone Users Surcharge Act requires the office to notify the board of the emergency telephone user surcharge rate and the emergency telephone user surcharge rate applicable to prepaid mobile telephony services by October 15 of each year.

This bill would instead require the office to notify the board of the emergency telephone user surcharge rate by October 1.

(26) The Emergency Telephone Users Surcharge Act requires, immediately upon notification by the office and fixing the surcharge rate, the board to notify by mail every registered service supplier of the new rate.

This bill would instead require the board to notify every registered service supplier of the new rate by a means, or means determined by the State Board of Equalization, that may include, but is not limited to, mail, electronic mail, or Internet Web site postings.

(27) The Prepaid Mobile Telephony Service Surcharge Collection Act requires, on and after January 1, 2016, and before January 1, 2020, the prepaid MTS surcharge imposed by that act on a prepaid consumer to be collected by a seller from each prepaid consumer at the time of each retail transaction in this state.

This bill would, commencing January 1, 2017, exempt a seller, other than a direct seller, with de minimis sales of prepaid mobile telephony services of less than $15,000 during the previous calendar year from collecting the prepaid MTS surcharge, and would require the Department of Finance to annually review and adjust that de minimis sales threshold, as provided.

(28) The Prepaid Mobile Telephony Service Surcharge Collection Act creates the Prepaid Mobile Telephony Services Surcharge Fund in the State Treasury, and creates the Prepaid MTS 911 Account and the Prepaid MTS PUC Account in that fund. That act requires the portion of the prepaid MTS surcharge that is for the emergency telephone users surcharge, which are remitted to the board, to be deposited into the Prepaid MTS 911 Account, and those deposited moneys to be transferred to the State Emergency Telephone Number Account in the General Fund. That act also requires that portion of the prepaid MTS surcharge that is for the Public Utilities Commission surcharges, which are remitted to the board, to be deposited into the Prepaid MTS PUC Account, and those deposited moneys to be allocated and transferred to the respective universal service funds.

This bill would specify that amounts transferred to the State Emergency Telephone Number Account are required to be appropriated pursuant to the Emergency Telephone Users Surcharge Act. This bill would require the Public Utilities Commission to allocate the moneys deposited into the Prepaid MTS PUC Account to the respective universal service funds and to the Public Utilities Commission Utilities Reimbursement Account and to report to the Controller on its allocation of those funds, as specified.

This bill would authorize the Director of Finance to approve a short-term loan in the 2015–16 fiscal year from the General Fund to the Prepaid Mobile Telephony Services Surcharge Fund to provide adequate cashflow for expenses incurred by the board in the administration and collection of the prepaid MTS surcharge.

(29) The Prepaid Mobile Telephony Service Surcharge Collection Act requires direct sellers to remit the prepaid portion of the prepaid MTS surcharge that is for the emergency telephone users surcharge to the board in accordance with the Emergency Telephone Users Surcharge Act and to remit the portion of the prepaid MTS surcharge that is for the Public Utilities Commission surcharges to the Public Utilities Commission.

This bill would specify that those remitted amounts to the commission are required to be deposited into the respective universal services funds and the Public Utilities Commission Utilities Reimbursement Account, and that

the remitted amounts to the board are required to be deposited into the State Emergency Telephone Number Account.

(30) The Local Prepaid Mobile Telephony Services Collection Act, on and after January 1, 2016, and before January 1, 2020, suspends the authority of a city, county, or city and county, including any charter city, county, or city and county, to impose a utility user tax on the consumption of prepaid communications service and any charge that applies to prepaid mobile telephony service, on access to communication services or access to local "911" emergency telephone systems, and instead requires those taxes and charges to be applied during that period under any ordinance to be at specified rates. The act requires these local charges imposed by a city, county, or a city and county, on prepaid mobile telephony services to be collected from the prepaid consumer by a seller at the same time and in the same manner as the prepaid MTS surcharge is collected under the Prepaid Mobile Telephony Service Surcharge Collection Act, as specified. Existing law requires all local charges collected to be deposited in the Local Charges for Prepaid Mobile Telephony Services Fund, and transmitted to the city, county, or a city and county, as provided.

This bill would, commencing January 1, 2017, exempt a seller, other than a direct seller, with de minimis sales of prepaid mobile telephony services of less than $15,000 during the previous calendar year from collecting the local charges, and would require the Department of Finance to annually review and adjust that de minimis sales threshold, as provided.

This bill would authorize the Director of Finance to approve a short-term loan in the 2015–16 fiscal year from the General Fund to the Local Charges for Prepaid Mobile Telephony Services Fund to provide adequate cashflow for expenses incurred by the board in the administration and collection of the local charges.

(31) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for specified reasons.

(32) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 3273 of the Civil Code is amended to read:

3273. (a) It is unlawful for a person, firm, corporation, or association that is a nongovernmental entity and contracts to perform public health and safety labor or services for a public agency to display on a vehicle a logo of the public agency that reasonably could be interpreted or construed as implying that the labor or services are being provided by employees of the public agency, unless the vehicle conspicuously displays a statement

indicating that the contractor is the service provider, contractor, or other appropriate descriptor, such as "SERVICE PROVIDED BY:" or "CONTRACTED BY:", immediately followed by all of the following:

(1) The logo and the name of the person, firm, corporation, or association that is the nongovernmental entity providing the public health and safety labor or services for the public agency.

(2) The state, or if outside of the United States, the country where the nongovernmental entity's controlling person, firm, corporation, or association is legally incorporated, organized, or formed.

(b) It is unlawful for a person or an employee of a person, firm, corporation, or association that is a nongovernmental entity and contracts to perform public health and safety labor or services for a public agency to wear a uniform bearing a logo of the public agency that reasonably could be interpreted or construed as implying that the labor or services are being provided by employees of the public agency, unless the uniform conspicuously displays the logo and the name of the person, firm, corporation, or association that is the nongovernmental entity providing the labor or services for the public agency.

(c) The disclosures required pursuant to subdivisions (a) and (b) shall apply to all labor or services provided pursuant to a contract entered into on or after January 1, 2015.

(d) (1) It is unlawful for a public agency to require, through a contract with a person, firm, corporation, or association that is a nongovernmental entity providing public health and safety labor or services, a person or employee of the nongovernmental entity to wear a badge containing the logo of the public agency.

(2) It is unlawful for a person, firm, corporation, or association that is a nongovernmental entity contracting to perform public health and safety labor or services for a public agency to require a person or its employee to wear a badge containing the logo of the public agency.

(e) For the purposes of subdivision (b), an identifying mark affixed to a uniform as required by state or federal law, and a local agency regulating the activity of the person, firm, corporation, or association shall not be construed as implying that the labor or services are being provided by employees of the public agency.

(f) If a vehicle or uniform displays more than one logo referring to the public agency, then the required disclosure shall be placed near the largest logo referring to the public agency.

(g) The disclosure requirements in subdivisions (a) and (b) of this section shall not apply to uniforms or vehicles if the person, firm, corporation, or association that is the nongovernmental entity is providing the labor or services for a public agency under Article 3.3 (commencing with Section 2430) of Chapter 2 of Division 2 of the Vehicle Code.

(h) The disclosure requirements in subdivisions (a) and (b) shall not apply to a public agency vehicle utilized by the nongovernmental entity during a declared state or federal disaster, mass-casualty incident, or other

incident that requires the use of state or federal resources when the public agency requires the use of the public agency vehicle.

(i) (1) Violations of this section shall be subject to the remedies provided in the Consumers Legal Remedies Act (Title 1.5 (commencing with Section 1750)).

(2) The duties, rights, and remedies provided in this section are in addition to any other duties, rights, and remedies provided by state law.

(j) For the purposes of this section, the following terms have the following meanings:

(1) "Conspicuously displays" means to display a disclosure on the exterior of a vehicle or uniform in the same location as the logo of the public agency, placed prominently as compared with other words, statements, or designs displayed in connection with the logo of the public agency. With respect to a uniform, "in the same location" includes, but is not limited to, a location on the opposing shoulder, pocket, or similar opposing location relative to the location of the logo of the public agency.

(2) "Logo" means a symbol, graphic, seal, emblem, insignia, trade name, brand name, or picture identifying a person, firm, corporation, association, or public agency. "Logo" shall not mean the name of a public agency used alone.

(3) "Public agency" means a state entity, a city, county, city and county, special district, or other political subdivision of the state.

(4) "Public health and safety labor or services" means fire protection services, rescue services, prehospital emergency medical services, hazardous material emergency response services, and ambulance services.

SEC. 2. Section 4061 of the Food and Agricultural Code is amended to read:

4061. (a) Notwithstanding any other law, a district agricultural association shall not be required to prepare or submit any written report to the Governor, the Legislature, or a state agency except as follows:

(1) The report is required by a court or under federal law.

(2) The report is required in the Budget Act.

(3) The report is required by the secretary.

(4) The Legislature expressly requires a district agricultural association to prepare and submit a report.

(5) The annual reporting of real property information required pursuant to Section 11011.15 of the Government Code.

(b) This section shall not be construed and is not intended to extend or limit the provisions of the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

SEC. 3. Section 905.2 of the Government Code is amended to read:

905.2. (a) This section shall apply to claims against the state filed with the California Victim Compensation and Government Claims Board.

(b) There shall be presented in accordance with this chapter and Chapter 2 (commencing with Section 910) all claims for money or damages against the state:

(1) For which no appropriation has been made or for which no fund is available but the settlement of which has been provided for by statute or constitutional provision.

(2) For which the appropriation made or fund designated is exhausted.

(3) For money or damages on express contract, or for an injury for which the state is liable.

(4) For which settlement is not otherwise provided for by statute or constitutional provision.

(c) Claimants shall pay a filing fee of twenty-five dollars ($25) for filing a claim described in subdivision (b). This fee shall be deposited into the General Fund and may be appropriated in support of the board as reimbursements to Item 7870-001-0001 of Section 2.00 of the annual Budget Act.

(1) The fee shall not apply to the following persons:

(A) Persons who are receiving benefits pursuant to the Supplemental Security Income (SSI) and State Supplementary Payment (SSP) programs (Article 5 (commencing with Section 12200) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code), the California Work Opportunity and Responsibility to Kids Act (CalWORKs) program (Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code), the federal Supplemental Nutrition Assistance Program (SNAP; 7 U.S.C. Sec. 2011 et seq.), or Section 17000 of the Welfare and Institutions Code.

(B) Persons whose monthly income is 125 percent or less of the current monthly poverty line annually established by the Secretary of California Health and Human Services pursuant to the federal Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), as amended.

(C) Persons who are sentenced to imprisonment in a state prison or confined in a county jail, or who are residents in a state institution and, within 90 days prior to the date the claim is filed, have a balance of one hundred dollars ($100) or less credited to the inmate's or resident's trust account. A certified copy of the statement of the account shall be submitted.

(2) Any claimant who requests a fee waiver shall attach to the application a signed affidavit requesting the waiver and verification of benefits or income and any other required financial information in support of the request for the waiver.

(3) Notwithstanding any other law, an applicant shall not be entitled to a hearing regarding the denial of a request for a fee waiver.

(d) The time for the board to determine the sufficiency, timeliness, or any other aspect of the claim shall begin when any of the following occur:

(1) The claim is submitted with the filing fee.

(2) The fee waiver is granted.

(3) The filing fee is paid to the board upon the board's denial of the fee waiver request, so long as payment is received within 10 calendar days of the mailing of the notice of the denial.

(e) Upon approval of the claim by the board, the fee shall be reimbursed to the claimant, except that no fee shall be reimbursed if the approved claim

was for the payment of an expired warrant. Reimbursement of the filing fee shall be paid by the state entity against which the approved claim was filed. If the claimant was granted a fee waiver pursuant to this section, the amount of the fee shall be paid by the state entity to the board. The reimbursement to the claimant or the payment to the board shall be made at the time the claim is paid by the state entity, or shall be added to the amount appropriated for the claim in an equity claims bill.

(f) The board may assess a surcharge to the state entity against which the approved claim was filed in an amount not to exceed 15 percent of the total approved claim. The board shall not include the refunded filing fee in the surcharge calculation. This surcharge shall be deposited into the General Fund and may be appropriated in support of the board as reimbursements to Item 7870-001-0001 of Section 2.00 of the annual Budget Act.

(1) The surcharge shall not apply to approved claims to reissue expired warrants.

(2) Upon the request of the board in a form prescribed by the Controller, the Controller shall transfer the surcharges and fees from the state entity's appropriation to the appropriation for the support of the board. However, the board shall not request an amount that shall be submitted for legislative approval pursuant to Section 13928.

(g) The filing fee required by subdivision (c) shall apply to all claims filed after June 30, 2004, or the effective date of this statute. The surcharge authorized by subdivision (f) may be calculated and included in claims paid after June 30, 2004, or the effective date of the statute adding this subdivision.

(h) This section shall not apply to claims made for a violation of the California Whistleblower Protection Act (Article 3 (commencing with Section 8547) of Chapter 6.5 of Division 1 of Title 2).

SEC. 4. Section 4467 of the Government Code is amended to read:

4467. (a) On and after January 1, 2013, and until December 31, 2018, any applicant for a local business license or equivalent instrument or permit, and from any applicant for the renewal of a business license or equivalent instrument or permit, shall pay an additional fee of one dollar ($1) for that license, instrument, or permit, which shall be collected by the city, county, or city and county that issued the license, instrument, or permit.

(b) The city, county, or city and county shall retain 70 percent of the fees collected under this section, of which up to 5 percent of the retained moneys may be used for related administrative costs of this chapter. The remaining moneys shall be used to fund increased certified access specialist (CASp) services in that jurisdiction for the public and to facilitate compliance with construction-related accessibility requirements. The highest priority shall be given to the training and retention of certified access specialists to meet the needs of the public in the jurisdiction as provided in Section 55.53 of the Civil Code.

(c) The remaining 30 percent of all fees collected under this section shall be transmitted on a quarterly basis to the Division of the State Architect for deposit in the Disability Access and Education Revolving Fund established

under Sections 4465 and 4470. The funds shall be transmitted within 15 days of the last day of the fiscal quarter. The Division of the State Architect shall develop and post on its Internet Web site a standard reporting form for use by all local jurisdictions. Up to 75 percent of the collected funds in the Disability Access and Education Revolving Fund shall be used to establish and maintain oversight of the CASp program and to moderate the expense of CASp certification and testing.

(d) Each city, county, or city and county shall make an annual report, commencing March 1, 2014, to the Division of the State Architect of the total fees collected in the previous calendar year and of its distribution, including the moneys spent on administrative services, the activities undertaken and moneys spent to increase CASp services, the activities undertaken and moneys spent to fund programs to facilitate accessibility compliance, and the moneys transmitted to the Disability Access and Education Revolving Fund.

SEC. 5. Section 4470 of the Government Code is amended to read:

4470. (a) All funds received by the Division of the State Architect under this chapter shall be deposited in the Disability Access and Education Revolving Fund, which is hereby established in the State Treasury.

(b) Notwithstanding Section 13340, moneys deposited in the fund are hereby continuously appropriated without regard to fiscal years to the Division of the State Architect for purposes of this chapter.

(c) Notwithstanding Section 10231.5, the State Architect shall make an annual report, commencing April 1, 2014, to the Legislature and to the Chairs of the Senate and Assembly Committees on Judiciary, and the Chair of the Senate Committee on Budget and Fiscal Review and the Chair of the Assembly Committee on Budget of the total fees collected by each city, county, or city and county pursuant to Section 4467, the total fees transmitted to the fund in the previous calendar year and of its distribution, including the moneys spent on administrative services, the moneys spent to moderate certification and examination fees for the certified access specialist program, the moneys spent on establishing and maintaining oversight of the certified access specialist program, and the moneys spent on developing and disseminating educational materials to facilitate compliance. A report to be submitted pursuant to this subdivision shall be submitted in compliance with Section 9795.

SEC. 6. Article 3.9 (commencing with Section 8574.30) is added to Chapter 7 of Division 1 of Title 2 of the Government Code, to read:

Article 3.9. Regional Railroad Accident Preparedness and Immediate Response

8574.30. For purposes of this article, the following terms have the following meanings:

(a) “Board” means the State Board of Equalization.

(b) “Director” means the Director of Emergency Services.

(c) “Fund” means the Regional Railroad Accident Preparedness and Immediate Response Fund established pursuant to Section 8574.44.

(d) “Hazardous material” means a material that the United States Department of Transportation has designated as a hazardous material for purposes of transportation in Part 172 of Title 49 of the Code of Federal Regulations.

(e) “Office” means the Office of Emergency Services.

(f) “Owner” means the person who has the ultimate control over, and the right to use or sell, the hazardous material being shipped. There is a rebuttable presumption that the shipper, consignor, or consignee of the hazardous material is the owner of the hazardous material. This presumption may be overcome by showing that ownership of the hazardous material rests with someone other than the shipper, consignor, or consignee. Evidence to rebut the presumption may include, but is not limited to, documentation, including a bill of lading, shipping document, bill of sale, or other medium, that shows the ownership of the hazardous material rests in a person other than the shipper, consignor, or consignee.

(g) “Person” means an individual, trust, firm, joint stock company, other entity, or corporation, including, but not limited to, a government corporation, partnership, limited liability company, or association. “Person” also includes any city, county, city and county, district, commission, the state or any department, agency, or political subdivision thereof, and the United States and agencies and instrumentalities, to the extent permitted by law.

(h) “Railroad” has the same meaning as defined in Section 229 of the Public Utilities Code.

(i) “Rail car” means a loaded or unloaded railroad car or rolling stock designated to transport hazardous material commodities, and includes, but is not limited to, those railroad cars subject to the requirements of Part 179 (commencing with Section 179.1) of Title 49 of the Code of Federal Regulations, or successor regulations adopted by the United States Department of Transportation.

8574.32. (a) (1) The director shall establish a schedule of fees, to be paid by each person owning any of the 25 most hazardous material commodities, as identified in regulations adopted by the office, that are transported by rail in California, that shall be sufficient to fund the appropriation from the fund pursuant to Section 8574.44, to reimburse the California High-Cost Fund-B Administrative Committee Fund for any moneys loaned, and to maintain a reserve for operating costs. The fee shall be based on each loaded rail car as described in subdivision (b).

(2) Prior to the adoption of regulations identifying the 25 most hazardous material commodities, the fee shall apply to the top 25 hazardous material commodities identified by the Association of American Railroads Bureau of Explosives’ Annual Report of Non-Accident Releases of Hazardous Materials Transported by Rail, published in August, 2013.

(b) (1) Within six months of the director establishing a schedule of fees pursuant to subdivision (a), the fee shall be imposed on a person owning

hazardous material at the time that hazardous material is transported by loaded rail car. The fee shall be based on each loaded rail car.

(A) If the loaded rail car enters the state from outside this state, the fee shall be imposed on the owner of the hazardous material at the time the loaded rail car enters this state. The person operating the train containing the rail car shall collect the fee from the owner of the hazardous material and shall pay the fee to the board. The fee shall be collected consistent with the requirements of the commerce clause of the United States Constitution.

(B) If the rail car is loaded within this state, the fee shall be imposed upon the loading of hazardous material into or onto the rail car for transport in or through this state. The person operating the train containing the rail car shall collect the fee from the owner of the hazardous material at the time the rail car is loaded and shall pay the fee to the board. The fee shall be collected consistent with the requirements of the commerce clause of the United States Constitution.

(2) The fee shall be paid to the board by the person operating the train containing the rail car at the time the return is required to be filed, as specified in Section 8574.38, based on the number of loaded hazardous material rail cars transported within the state.

(3) Any fee collected from an owner of hazardous materials pursuant to this section that has not been remitted to the board shall be deemed a debt owed to the state by the person required to collect and remit the fee.

(4) (A) The owner of the hazardous material is liable for the fee until it has been paid to the board, except that payment to a person operating the train containing the rail car registered under this article is sufficient to relieve the owner from further liability for the fee.

(B) The railroad shall be entitled to collect an amount not to exceed 5 percent of the fee collected pursuant to this section to offset the administrative cost to collect the fee.

(5) Any owner or railroad that has paid the fee pursuant to this section shall not be assessed any additional fee under this section for further transporting the same hazardous materials in the same rail cars on a different railroad within the state.

(c) The fee shall be fair, as required by subsection (f) of Section 5125 of Title 49 of the United States Code and subsection (c) of Section 107.202 of Title 49 of the Code of Federal Regulations. It is the intent of the Legislature that: (1) the fee shall reflect the cost of preparations to respond to the release of hazardous materials from a rail car or a railroad accident involving a rail car, (2) these preparations shall help contain the damage to railroad systems and operations within the state caused by the release of hazardous materials and better enable owners of hazardous materials to expeditiously transport their materials using the railroad after the release of hazardous materials, and (3) these preparations shall mitigate the exposure of the owners of hazardous materials to compensable damages caused by the release of hazardous materials. The director may exempt from the fee those shipments of hazardous materials that do not merit inclusion in the state regional railroad accident preparedness and immediate response plan developed

pursuant to Section 8574.48, and those shipments of hazardous materials that do not merit additional governmental preparation to respond to their release in the event of a railroad accident.

(d) The fee shall not result in the collection of moneys that exceed the reasonable regulatory costs to the state for the purposes specified in subdivision (e) of Section 8574.44. The director shall set the fee consistent with Section 3 of Article XIII A of the California Constitution.

(e) The director shall be responsible for reporting fee information to the federal Secretary of Transportation pursuant to paragraph (2) of subsection (f) of Section 5125 of Title 49 of the United States Code.

(f) The director may authorize payment of a portion, but not the entire amount, of fees owed through contributions in kind of equipment, materials, or services.

(g) The director shall create an industry advisory committee to advise the director on setting the fee and on other policy matters related to industry-based shipment of hazardous materials and private sector-based accident response. The committee shall consist of representatives from the following:

(1) Hazardous materials specialist from the railroad industry.

(2) Operation specialist from the railroad industry.

(3) Fire and safety specialist from refinery industry.

(4) Chemical hazardous materials specialists.

(5) Agricultural chemical industry.

(6) Firefighting Resources of California Organized for Potential Emergencies (FIRESCOPE).

(7) Local emergency preparedness commissions (LEPCs).

(8) California Fire Chiefs Association.

(9) California Professional Firefighters.

(10) California State Firefighters Association.

(11) California Emergency Services Association.

(12) Fire Districts Association of California.

(13) The public.

(h) (1) The director shall reconsider the amount of the fee, and adjust the fee if appropriate, not less frequently than every three years, with due consideration for existing and expected operational and continued resource requirements.

(2) The director shall conduct an analysis of industry capabilities and resource requirements to assist in the reconsideration of the amount of the established fee. The director may arrange for the analysis to be performed by a third party that is either a public or private entity. Upon finalization of the analysis, the analysis shall be delivered as a report to the Department of Finance, the Legislature, and the Legislative Analyst's Office.

(3) The submission of the analysis to the Legislature shall be submitted in compliance with Section 9795 of the Government Code.

8574.34. Every person who operates a railroad that transports hazardous materials by rail car shall register with the board pursuant to Section 55021 of the Revenue and Taxation Code.

8574.36. The fee imposed pursuant to Section 8574.32 shall be administered and collected by the board in accordance with the Fee Collection Procedures Law (Part 30 (commencing with Section 55001) of Division 2 of the Revenue and Taxation Code). For purposes of this section, the references in the Fee Collection Procedures Law to "fee" shall include the fee imposed by this article, and references to "feepayer" shall include a person required to pay the fee imposed by this article.

8574.38. The return required to be filed pursuant to Section 55040 of the Revenue and Taxation Code shall be prepared and filed by the person required to register with the board, in the form prescribed by the board, and shall contain that information the board deems necessary or appropriate for the proper administration of this article and the Fee Collection Procedures Law. The return shall be filed on or before the last day of the calendar month following the calendar quarter to which it relates, together with a remittance payable to the board for the fee amount due for that period. Returns shall be authenticated in a form, or pursuant to methods, as may be prescribed by the board.

8574.40. Notwithstanding the petition for redetermination and claim for refund provisions of the Fee Collection Procedures Law (Article 3 (commencing with Section 55081) of Chapter 3 of, and Article 1 (commencing with Section 55221) of Chapter 5 of, Part 30 of Division 2 of the Revenue and Taxation Code), the board shall not:

(a) Accept or consider a petition for redetermination of fees determined under this article if the petition is founded upon the grounds that the rail car content is or is not a hazardous material. The board shall forward to the director any appeal of a determination that is based on the grounds that the rail car content is or is not a hazardous material.

(b) Accept or consider a claim for refund of fees paid pursuant to this chapter if the claim is founded upon the grounds that the rail car content is or is not a hazardous material. The board shall forward to the director any claim for refund that is based on the grounds that the rail car content is or is not a hazardous material.

8574.42. (a) The board may prescribe, adopt, and enforce regulations relating to the administration and enforcement of this article.

(b) The board may prescribe, adopt, and enforce any emergency regulations, as necessary, to implement this article. Except as provided in Section 8574.44, any emergency regulation prescribed, adopted, or enforced pursuant to this article shall be adopted pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 and, for purposes of that article, including Section 11349.6, the adoption of the regulation is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare.

8574.44. (a) The Regional Railroad Accident Preparedness and Immediate Response Fund is hereby created in the State Treasury.

(b) All revenues, interest, penalties, and other amounts collected pursuant to this article shall be deposited into the fund, less refunds and reimbursement

to the board for expenses incurred in the administration and collection of the fee.

(c) The adoption of regulations pursuant to this section shall be considered by the Office of Administrative Law as an emergency and necessary for the immediate preservation of the public peace, health and safety, and general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2, emergency regulations adopted by the director and the board pursuant to this section shall be filed with, but not repealed by, the Office of Administrative Law and shall remain in effect until revised or repealed by the director.

(d) The fund shall be used to reimburse the California High-Cost Fund-B Administrative Committee Fund for any moneys loaned from the California High-Cost Fund-B Administrative Committee Fund to the fund to pay for the Office of Emergency Service's administrative costs associated with implementation of the fee pursuant to this article.

(e) All moneys remaining in the fund after reimbursement of the California High-Cost Fund-B Administrative Committee Fund pursuant to subdivision (d) shall, upon appropriation by the Legislature, be used by the director to pay for the following purposes related to the transportation of hazardous materials:

(1) Planning, developing, and maintaining a capability for large-scale hazardous materials releases emergency response relating to railroad accidents involving rail cars carrying hazardous materials, including the risks of explosions and fires.

(2) Planning, developing, and maintaining a capability for large-scale hazardous materials releases emergency response relating to releases of hazardous materials from rail cars, including reducing the harmful effects of exposure of those materials to humans and the environment.

(3) Creation, support, maintenance, and implementation of the Regional Railroad Accident Preparedness and Immediate Response Force created by Section 8574.48.

(4) Acquisition and maintenance of specialized equipment and supplies used to respond to a hazardous materials release from a rail car or a railroad accident involving a rail car.

(5) Support of specialized regional training facilities to prepare for and respond to a hazardous materials release from a rail car or a railroad accident involving a rail car.

(6) Creation and support of a regional, state level, and local emergency response team to provide immediate onsite response capabilities in the event of large-scale releases of hazardous materials from a rail car or a railroad accident involving a rail car.

(7) Support for specialized training for state and local emergency response officials in techniques for prevention of, and response to, release of hazardous materials from a rail car or a railroad accident involving a rail car.

(f) For each of the 2015–2016 and 2016–2017 fiscal years, the amount available for appropriation from the fund shall not exceed twenty million

dollars ($20,000,000). For the 2017–18 fiscal year and each fiscal year thereafter, the amount available for appropriation from the fund shall not exceed ten million dollars ($10,000,000).

(g) (1) For the 2016 calendar year, the director shall have the authority to collect an amount not to exceed twenty million dollars ($20,000,000) for deposit into the fund, which shall be used, upon appropriation by the Legislature, for repayment of loans provided from the California High Cost Fund B Administrative Committee and for purposes related to the transportation of hazardous materials by rail cars pursuant to subdivision (e).

(2) For the calendar year 2017, the director shall have the authority to collect an amount not to exceed twenty million dollars for deposit into the fund, which shall be used, upon appropriation by the Legislature, for purposes related to the transportation of hazardous materials by rail cars pursuant to subdivision (e).

(3) (A) Commencing on January 1, 2018, and following an initial review of the amount of the fee by the industry advisory committee established pursuant to subdivision (g) of Section 8574.32 and an initial reconsideration of the amount of the fee by the director pursuant to paragraph (1) of subdivision (h) of Section 8574.32, the director shall have the authority to collect an amount not to exceed ten million dollars ($10,000,000) annually for deposit into the fund.

(B) For calendar years subsequent to the 2018 calendar year, the director shall reconsider the amount of the fee pursuant to paragraph (1) of subdivision (h) of Section 8574.32.

(h) The board shall inform the director if the amount of fees collected reaches the amount specified in subdivision (g) in each calendar year.

(i) Reimbursement to the state for equipment funded by moneys in the fund that are used for emergency response activities unrelated to regional railroad accident preparedness and immediate response as described in this article shall be made pursuant to the state fire service and rescue emergency mutual aid plan adopted pursuant to Section 8619.5 and deposited into the fund.

8574.46. (a) (1) The director shall contract with the Department of Finance for the preparation of a detailed report on the financial basis and programmatic effectiveness of the regional railroad accident preparedness and immediate response plan and the Regional Railroad Accident Preparedness and Immediate Response Fund.

(2) The report shall include an analysis of the fund’s major expenditures, fees, interest, and penalties collected, staffing and equipment levels, moneys used for coordinated training and response under the emergency mutual aid plan, spills responded to, and other relevant issues.

(3) The report shall recommend measures to improve the efficiency and effectiveness of the program and fund, including, but not limited to, ensuring fair and equitable funding from the fees and measures to modify or improve the implementation of the regional railroad accident preparedness and

immediate response plan for release of hazardous materials from a rail car or a railroad accident involving a rail car.

(b) (1) On or before January 1, 2019, and every three years thereafter, the director shall submit the report to the Governor and the Legislature.

(2) The report submitted to the Legislature shall be submitted in compliance with Section 9795.

8574.48. (a) The Regional Railroad Accident Preparedness and Immediate Response Force is hereby created in the Office of Emergency Services. The force shall be responsible for providing regional and onsite response and mitigation capabilities in the event of a release of hazardous materials from a rail car or a railroad accident involving a rail car and for implementing the state regional railroad accident preparedness and immediate response plan for releases of hazardous materials from a rail car or a railroad accident involving a rail car. The force shall act cooperatively and in concert with existing local emergency response units pursuant to Article 9.5 (commencing with Section 8607). The force shall be established and operate as outlined in, and as a component of, the state fire service and rescue mutual aid plan adopted pursuant to Section 8619.5. The force shall consist of representatives of all of the following:

(1) Department of Fish and Wildlife.
(2) California Environmental Protection Agency.
(3) State Air Resources Board.
(4) Department of Resources Recycling and Recovery.
(5) California regional water quality control boards.
(6) Department of Toxic Substances Control.
(7) Department of Pesticide Regulation.
(8) Office of Environmental Health Hazard Assessment.
(9) State Department of Public Health.
(10) Department of the California Highway Patrol.
(11) Department of Food and Agriculture.
(12) Department of Forestry and Fire Protection.
(13) Department of Parks and Recreation.
(14) Public Utilities Commission.
(15) State Fire Marshal.
(16) Emergency Medical Services Authority.
(17) California National Guard.
(18) Any other potentially affected or participating state, local, or federal agency, as determined by the director.

(b) (1) The Office of Emergency Services, in cooperation with all of the entities listed in paragraphs (1) to (18), inclusive, of subdivision (a), shall develop a state regional railroad accident preparedness and immediate response plan that operates in coordination with the state fire service and rescue emergency mutual aid plan.

(2) The state regional railroad accident preparedness and immediate response plan shall be an annex to the State Emergency Plan.

(c) (1) The Legislature finds and declares that the state has a comprehensive program through the Office of Spill Prevention and Response

to prevent and prepare for the risk of a significant discharge of petroleum into state waters, including a discharge caused by the transportation of petroleum by rail. The Legislature further finds and declares that the Regional Accident Preparedness and Immediate Response Force is focused on the emergency response for railroad accidents and rail car discharges involving all designated hazardous materials regardless of where the accident or discharge takes place.

(2) The Regional Accident Preparedness and Immediate Response Force and Office of Spill Prevention and Response shall coordinate in their respective authorities and responsibilities pursuant to Article 9.5 (commencing with Section 8607), to avoid any duplication of effort, ensure cooperation, and promote the sharing of information regarding the risk of discharge of petroleum by rail into state waters.

SEC. 7. Article 5.9 (commencing with Section 8590.6) is added to Chapter 7 of Division 1 of Title 2 of the Government Code, to read:

Article 5.9. Human Trafficking Victims Assistance

8590.6. For the purposes of this article:

(a) "Comprehensive services" means primary services that include all of the following:

(1) Shelter or established referral services for shelter on a 24 hours a day, seven days a week, basis.

(2) A 24 hours a day, seven days a week, telephone hotline for crisis calls.

(3) Temporary housing and food facilities.

(4) Psychological support and peer counseling provided in accordance with Section 1038.2 of the Evidence Code.

(5) Referrals to existing services in the community.

(6) Emergency transportation, as feasible.

(b) "Director" means the Director of the Office of Emergency Services.

(c) "Fund" means the Human Trafficking Victims Assistance Fund.

(d) "Human trafficking caseworker" means a human trafficking caseworker as defined in Section 1038.2 of the Evidence Code.

(e) "Office" means the Office of Emergency Services.

(f) "Qualified nonprofit organization" means a nongovernmental, nonprofit organization that does both of the following:

(1) Employs a minimum of one individual who is a human trafficking caseworker.

(2) Provides services to victims of human trafficking, including, but not limited to, housing assistance, counseling services, and social services to victims of human trafficking.

(g) "Victim of human trafficking" means any person who is a trafficking victim as described in Section 236.1 of the Penal Code and satisfies either of the following conditions:

(1) Was trafficked in the state.

(2) Fled his or her trafficker to the state.

8590.7. (a) There is hereby created in the State Treasury the Human Trafficking Victims Assistance Fund. Moneys in the fund, including any interest earned, shall only be expended to support programs for victims of human trafficking pursuant to the requirements of this article and for reimbursement of costs incurred by the office in connection with its duties under this section. Of the amounts appropriated to the fund, no more than 5 percent shall be applied for reimbursement of costs incurred by the office in connection with its duties

(b) The office shall do all of the following:

(1) Be responsible for overseeing the grant program.

(2) Award grants based on the following:

(A) The capability of the qualified nonprofit organization to provide comprehensive services.

(B) The stated goals and objectives of the qualified nonprofit organization.

(C) The number of people to be served and the needs of the community.

(D) Evidence of community support.

(E) Other criteria the office deems appropriate that is consistent with the requirements of this paragraph.

(3) Publish deadlines and written procedures for qualified nonprofit organizations to apply for the grants.

SEC. 8. Section 8600 of the Government Code is amended to read:

8600. (a) The Governor with the advice of the Office of Emergency Services is hereby authorized and empowered to divide the state into mutual aid regions for the more effective application, administration, and coordination of mutual aid and other emergency-related activities.

(b) The Office of Emergency Services shall coordinate response and recovery operations in each of the mutual aid regions.

SEC. 9. Section 8619.5 is added to the Government Code, to read:

8619.5. (a) The Office of Emergency Services, in consultation with relevant local and state agencies, shall develop and adopt a state fire service and rescue emergency mutual aid plan that does all of the following:

(1) Provides a systematic mobilization, organization, and operation of necessary fire, rescue, and hazardous material resources of the state in mitigating the effects of disasters.

(2) Provides comprehensive and compatible plans for the expedient mobilization and response of available fire, rescue, and hazardous materials resources on a local, area, regional, and statewide basis.

(3) Establishes guidelines for recruiting and training auxiliary personnel to augment fire, rescue, and hazardous materials personnel during disaster operations.

(4) Provides for an annually updated fire, rescue, and hazardous materials response inventory of all personnel and equipment in California.

(5) Provides for the interchange and dissemination of fire, rescue, and hazardous materials-related data, directives, and information among fire and rescue officials of local, state, and federal agencies.

(6) Promotes annual training or exercises, or both training and exercises, among plan participants.

(b) The state fire service and rescue emergency mutual aid plan shall be an annex to the State Emergency Plan.

(c) The State Emergency Plan and the state fire service and rescue mutual aid plan shall be operated pursuant to Article 9.5 (commencing with Section 8607).

SEC. 10. Section 11011.1 of the Government Code is amended to read:

11011.1. (a) Notwithstanding any other provision of law, except Article 8.5 (commencing with Section 54235) of Chapter 5 of Part 1 of Division 2 of Title 5, the disposal of surplus state real property by the Department of General Services shall be subject to the requirements of this section. For purposes of this section, "surplus state real property" means real property declared surplus by the Legislature and directed to be disposed of by the Department of General Services, including any real property previously declared surplus by the Legislature but not yet disposed of by the Department of General Services prior to the enactment of this section.

(b) (1) The department may dispose of surplus state real property by sale, lease, exchange, a sale combined with an exchange, or other manner of disposition of property, as authorized by the Legislature, upon any terms and conditions and subject to any reservations and exceptions the department deems to be in the best interests of the state.

(2) (A) The Legislature finds and declares that the provision of decent housing for all Californians is a state goal of the highest priority. The disposal of surplus state real property is a direct and substantial public purpose of statewide concern and will serve an important public purpose, including mitigating the environmental effects of state activities. Therefore, it is the intent of the Legislature that priority be given, as specified in this section, to the disposal of surplus state real property to housing for persons and families of low or moderate income, where land is suitable for housing and there is a need for housing in the community.

(B) Surplus state real property that has been determined by the department not to be needed by any state agency shall be offered to any local agency, as defined in subdivision (a) of Section 54221, and then to nonprofit affordable housing sponsors, prior to being offered for sale to private entities or individuals. As used in this subdivision, "nonprofit affordable housing sponsor" means any of the following:

(i) A nonprofit corporation incorporated pursuant to Division 2 (commencing with Section 5000) of Title 1 of the Corporations Code.

(ii) A cooperative housing corporation which is a stock cooperative, as defined by Section 11003.2 of the Business and Professions Code.

(iii) A limited-dividend housing corporation.

(C) The department, subject to this section, shall maintain a list of surplus state real property in a conspicuous place on its Internet Web site. The department shall provide local agencies and, upon request, members of the public, with electronic notification of updates to the list of properties.

(D) To be considered as a potential priority buyer of the surplus state real property, a local agency or nonprofit affordable housing sponsor shall notify the department of its interest in the surplus state real property within 90 days of the department posting on its Internet Web site the notice of the availability of the surplus state real property. The local agency or nonprofit affordable housing sponsor shall demonstrate, to the satisfaction of the department, that the surplus state real property, or portion of that surplus state real property, is to be used by the local agency or nonprofit affordable housing sponsor for open space, public parks, affordable housing projects, or development of local government-owned facilities. When more than one local agency expresses an interest in the surplus state real property, priority shall be given to the local agency that intends to use the surplus state real property for affordable housing. If no agreement or transfer of title occurs, the priority shall next be given to the local agency that intends to use the surplus state real property for open space, public parks, or development of local government-owned facilities. The sales agreement shall be executed by the local agency or nonprofit affordable housing sponsor within 60 days after the director determines the local agency or nonprofit affordable housing sponsor is to receive the surplus state real property. The sale of the surplus state real property to a local agency or nonprofit affordable housing sponsor pursuant to this section shall be completed, and title transferred, within 60 days of the date the department executes the sales agreement, or, if required by law, no later than 60 days after the State Public Works Board has authorized the sale. If the sale of a surplus state real property to a local agency or nonprofit affordable housing sponsor is not completed within the timeframe specified in this subparagraph, then the department shall proceed with the process for disposal to other private entities or individuals. If no local agency or nonprofit affordable housing sponsor informs the department of its interest in acquiring the property within 90 days of the department posting on its Internet Web site the notice of the availability of the surplus state real property, the department shall notify the chairpersons of the fiscal committees of the Legislature within 30 days of the expiration of the initial 90-day timeframe.

(c) (1) If more than one local agency desires the surplus state real property for use as an open space, a public park, or the development of a local government-owned facility, the department shall transfer the surplus state real property to the local agency offering the highest price above fair market value. If more than one local agency desires the surplus state real property for use as an affordable housing project, the department shall transfer the surplus state real property to the local agency offering the greatest number of affordable housing units. If more than one nonprofit affordable housing sponsor desires the surplus state real property for use as an affordable housing project, the department shall transfer the surplus state real property to the nonprofit affordable housing sponsor offering the greatest number of affordable housing units.

(2) If no local agency or nonprofit affordable housing sponsor is interested, or an agreement, as provided above, is not reached, then the

disposal of the surplus state real property to private entities or individuals shall be pursuant to a public bidding process designed to obtain the highest most certain return for the state from a responsible bidder, and any transaction based on such a bidding process shall be deemed to be the fair market value for the purposes of the reporting requirements pursuant to subdivision (d).

(3) Notwithstanding any other provision of law, the department may sell surplus state real property, or a portion of surplus state real property, to a local agency, or to a nonprofit affordable housing sponsor if no local agency is interested in the surplus state real property, for affordable housing projects at a sales price less than fair market value if the department determines that such a discount will enable the provision of housing for persons and families of low or moderate income. Nothing shall preclude a local agency that purchases the surplus state real property for affordable housing from reconveying the surplus state real property to a nonprofit affordable housing sponsor for development of affordable housing. Transfer of title to the surplus state real property or lease of the surplus state real property for affordable housing shall be conditioned upon continued use of the surplus state real property as housing for persons and families of low and moderate income for at least 40 years and the department shall record a regulatory agreement that imposes affordability covenants, conditions, and restrictions on the surplus state real property. The regulatory agreement shall be a first priority lien on the surplus state real property and last for a period of at least 40 years, and if another state agency is lending funds for a project, a combined regulatory agreement shall be utilized. Notwithstanding any other provision of law, the regulatory agreement shall not be subordinated to any other lien or encumbrance except for any federal loan program the statutes or regulations of which require a first priority lien for that federal loan.

(4) Notwithstanding any other provision of law, the Director of General Services may transfer surplus state real property to a local agency for less than fair market value if the local agency uses the surplus state real property for parks or open-space purposes. The deed or other instrument of transfer shall provide that the surplus state real property would revert to the state if the use changed to a use other than parks or open-space purposes during the period of 25 years after the transfer date. For the purpose of this paragraph, "open-space purposes" means the use of land for public recreation, enjoyment of scenic beauty, or conservation or use of natural resources.

(d) Thirty days prior to executing a transaction for a sale, lease, exchange, a sale combined with an exchange, or other manner of disposition of the surplus state real property for less than fair market value or for affordable housing, or as authorized by the Legislature, the Director of General Services shall report to the chairpersons of the fiscal committees of the Legislature all of the following:

(1) The financial terms of the transaction.

(2) A comparison of fair market value for the surplus state real property and the terms listed in paragraph (1).

(3) The basis for agreeing to terms and conditions other than fair market value.

(e) As to surplus state real property sold or exchanged pursuant to this section, the director shall except and reserve to the state all mineral deposits, as described in Section 6407 of the Public Resources Code, together with the right to prospect for, mine, and remove the deposits. If, however, the director determines that there is little or no potential for mineral deposits, the reservation may be without surface right of entry above a depth of 500 feet, or the rights to prospect for, mine, and remove the deposits shall be limited to those areas of the surplus state real property conveyed that the director determines to be reasonably necessary for the removal of the deposits.

(f) The failure to comply with this section, except for subdivision (d), shall not invalidate the transfer or conveyance of surplus state real property to a purchaser for value.

(g) For purposes of this section, fair market value is established by an appraisal and economic evaluation conducted by the department or approved by the department.

SEC. 11. Section 12432 of the Government Code is amended to read:

12432. (a) The Legislature hereby finds and declares that it is essential for the state to replace the current automated human resource/payroll systems operated by the Controller to ensure that state employees continue to be paid accurately and on time and that the state may take advantage of new capabilities and improved business practices. To achieve this replacement of the current systems, the Controller is authorized to procure, modify, and implement a new human resource management system that meets the needs of a modern state government. This replacement effort is known as the 21st Century Project.

(b) Notwithstanding any other law, beginning with the 2004–05 fiscal year, the Controller may assess the special and nongovernmental cost funds in sufficient amounts to pay for the authorized 21st Century Project costs that are attributable to those funds. Assessments in support of the expenditures for the 21st Century Project shall be made quarterly, and the total amount assessed from these funds annually shall not exceed the total expenditures incurred by the Controller for the 21st Century Project that are attributable to those funds in that fiscal year. Appropriations for this purpose shall be made in the annual Budget Act.

(c) To the extent permitted by law, beginning with the 2004–05 fiscal year, the Controller shall establish agreements with various agencies and departments for the collection from federal funds of costs that are attributable to federal funds. The total amount collected from those agencies and departments annually shall not exceed the total expenditures incurred by the Controller for the 21st Century Project that are attributable to federal funds in that fiscal year. Appropriations for that purpose shall be made in the annual Budget Act.

(d) It is the intent of the Legislature that, beginning not earlier than the 2006–07 fiscal year, future annual Budget Acts include General Fund

appropriations in sufficient amounts for expenditures for the 21st Century Project that are attributable to the General Fund. It is the Legislature's intent that the share of the total project costs paid for by the General Fund shall be equivalent to the share of the total project costs paid for from special and nongovernmental cost fund assessments and collections from federal funds.

(e) This section shall remain in effect only until June 30, 2016, and as of that date is repealed.

SEC. 12. The heading of Chapter 5 (commencing with Section 13400) of Part 3 of Division 3 of Title 2 of the Government Code is amended to read:

CHAPTER 5. THE STATE LEADERSHIP ACCOUNTABILITY ACT

SEC. 13. Section 13400 of the Government Code is amended to read:

13400. This act shall be known and may be cited as the State Leadership Accountability Act.

SEC. 14. Section 13401 of the Government Code is amended to read:

13401. (a) The Legislature finds all of the following:

(1) Active oversight processes, including regular and ongoing monitoring processes, for the prevention and early detection of fraud and errors in program administration are vital to public confidence and the appropriate and efficient use of public resources.

(2) Fraud and errors in state programs are more likely to occur from a lack of effective systems of internal control in state agencies when active monitoring measures are not maintained to ensure that controls are functioning properly.

(3) Effective systems of internal control provide the basic foundation upon which a structure of public accountability must be built.

(4) Effective systems of internal control are necessary to ensure that state resources are adequately safeguarded, monitored, and administered.

(5) Systems of internal control are necessarily dynamic and must be routinely monitored, continuously evaluated, and, where necessary, improved.

(6) Reports regarding the continuing adequacy of the systems of internal control of each state agency are necessary to enable the executive branch, the Legislature, and the public to evaluate each state agency's performance of its public responsibilities and accountability.

(b) The Legislature declares all of the following to be the policies of the state:

(1) Each state agency must maintain effective systems of internal control as an integral part of its management practices.

(2) The systems of internal control of each state agency shall be evaluated on an ongoing basis through regular and ongoing monitoring processes and, when detected, weaknesses must be promptly corrected.

(3) All levels of management of state agencies must be involved in assessing and strengthening the systems of internal control to minimize

fraud, errors, abuse, and waste of government funds. Monitoring processes should be designed to ensure objectivity of persons tasked with monitoring. Objectivity means allowing those tasked with monitoring to maintain integrity, impartiality, a questioning state of mind, and the ability to accurately and fairly assess circumstances and draw sound conclusions.

(4) It shall be the responsibility of the Department of Finance, in consultation with the Controller and the California State Auditor, to establish guidelines for how the objectivity of the persons tasked with monitoring processes are to be maintained. Those guidelines should include establishing monitor training programs, identification of appropriate chain-of-command reporting relationships, and recommended best practices for professional development and the conduct of objective monitoring, including, but not limited to, practices for the regular dissemination of strategies and lessons learned from successful efforts to strengthen state administration via interagency cooperation.

SEC. 15. Section 13402 of the Government Code is amended to read:

13402. Agency heads are responsible for the establishment and maintenance of a system or systems of internal control, and effective and objective ongoing monitoring of the internal controls within their state agencies. This responsibility includes documenting the system, communicating system requirements to employees, and ensuring that the system is functioning as prescribed and is modified, as appropriate, for changes in conditions.

SEC. 16. Section 13403 of the Government Code is amended to read:

13403. (a) As used in this chapter, "internal control" means a process, including a continuous built-in component of operations, effected by a state agency's oversight body, management, and other personnel that provide reasonable assurance that the state agency's objectives will be achieved. The following five components of internal control, if effectively designed, implemented, and operated in an integrated manner, constitute an effective internal control system:

(1) "Control environment" means the foundation for an internal control system that provides the discipline and structure to help a state agency achieve its objectives.

(2) "Risk assessment" means an assessment of the risks facing the state agency as it seeks to achieve its objectives and provides the basis for developing appropriate risk responses.

(3) "Control activities" means the actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system.

(4) "Information and communication" means the quality of vital information used and communicated to achieve the state agency's objectives.

(5) "Monitoring" means the activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews.

(b) The elements of a satisfactory system of internal control, shall include, but are not limited to, the following:

(1) A plan of organization that provides segregation of duties appropriate for proper safeguarding of state agency assets.

(2) A plan that limits access to state agency assets to authorized personnel who require these assets in the performance of their assigned duties.

(3) A system of policies and procedures adequate to provide compliance with applicable laws, criteria, standards, and other requirements.

(4) An established system of practices to be followed in performance of duties and functions in each of the state agencies.

(5) Personnel of a quality commensurate with their responsibilities.

(6) An effective system of internal review.

(7) A technology infrastructure to support the completeness, accuracy, and validity of information processed.

(c) Agency heads shall follow the standards established by this section of internal control in carrying out the requirements of Section 13402.

(d) Monitoring systems and processes are vital to the following:

(1) Ensuring that routine application of internal controls do not diminish their efficacy over time.

(2) Providing timely notice and opportunity for correction of emerging weaknesses with established internal controls.

(3) Facilitating public resources and other decisions by ensuring availability of accurate and reliable information.

(4) Facilitating production of timely and accurate financial reports, and the submittal, when appropriate, of recommendations for how greater efficiencies in support of the state agency's mission may be attainable via the consolidation or restructuring of potentially duplicative or inefficient processes, programs, or practices where it appears such changes may be achieved without undermining program effectiveness, quality, or customer satisfaction.

(e) It shall be the responsibility of the Department of Finance, in consultation with the Controller and the California State Auditor, to establish guidelines for the management of state agencies on how the role of monitoring should be staffed, structured, and its reporting function standardized so it fits within an efficient and normalized state agency administrative framework.

(f) Agency heads shall implement systems and processes to ensure the objectivity of the monitoring of internal control as an ongoing activity in carrying out the requirements of Section 13402.

SEC. 17. Section 13404 of the Government Code is amended to read:

13404. As used in this chapter:

(a) "Agency head" means the individual responsible for the overall operations of a state agency.

(b) "State agency" means every entity included in subdivision (a) of Section 11000 and the California State University. The Department of Finance shall make the final determination whether a state entity is a state agency for purposes of being subject to the provisions of this chapter.

SEC. 18. Section 13405 of the Government Code is amended to read:

13405. (a) To ensure that the requirements of this chapter are fully complied with, each agency head that the Department of Finance determines is covered by this section shall, on a biennial basis but no later than December 31 of each odd-numbered year, conduct an internal review and prepare a report on the adequacy of the state agency's systems of internal control, and monitoring practices in accordance with the guide prepared by the Department of Finance pursuant to subdivision (d).

(b) The report, including the state agency's response to review recommendations, shall be signed by the agency head and addressed to the agency secretary, or the Director of Finance for a state agency without a secretary. An agency head shall submit a copy of the report and related response, pursuant to a method determined by the Department of Finance, to the Legislature, the California State Auditor, the Controller, the Department of Finance, the Secretary of Government Operations, and to the State Library where the copy shall be available for public inspection.

(c) The report shall identify any material inadequacy or material weakness in a state agency's systems of internal control that prevents the agency head from stating that the state agency's systems comply with this chapter. Concurrently with the submission of the report pursuant to subdivision (b), the state agency shall provide to the Department of Finance a plan and schedule for correcting the identified inadequacies and weaknesses, that shall be updated every six months until all corrections are implemented.

(d) The Department of Finance in consultation with the California State Auditor and the Controller, shall establish, and may modify from time to time as necessary, a system of reporting and a general framework to guide state agencies in conducting internal reviews of their systems of internal control.

(e) The Department of Finance in consultation with the California State Auditor and the Controller, shall establish, and may modify from time to time as necessary, a general framework of recommended practices to guide state agencies in conducting active, ongoing monitoring of processes for internal control.

SEC. 19. Section 13406 of the Government Code is amended to read:

13406. (a) The head of the internal audit staff of a state agency, as specified by the Director of Finance, or, in the event there is no internal audit function, a professional accountant, if available on the staff, designated as the internal control person by the agency head shall receive and investigate any allegation that an employee of the state agency provided false or misleading information in connection with the review of the state agency's systems of internal control or in connection with the preparation of the biennial report on the systems of internal control, and monitoring practices.

(b) If, in connection with any investigation under subdivision (a), the head of the internal audit staff or the designated internal control person determines that there is reasonable cause to believe that false or misleading information was provided, he or she shall report in writing that determination to the agency head.

(c) The agency head shall review any matter referred to him or her under subdivision (b), shall take the disciplinary or corrective action as he or she deems necessary, and shall forward a copy of the report, indicating the action taken, to the Department of Finance within 90 days of the date of the report.

SEC. 20. Section 13407 of the Government Code is amended to read:

13407. Because sound internal controls and the regular and ongoing monitoring of those internal controls significantly inhibits waste of resources and thereby creates savings, the Department of Finance and state agencies shall carry out the provisions of this chapter by using existing resources.

SEC. 21. Section 13974.1 of the Government Code is amended to read:

13974.1. (a) The California Victim Compensation and Government Claims Board shall use the applicable provisions of this article to establish a claim and reward procedure to reward persons providing information leading to the location of any child listed in the missing children registry compiled pursuant to former Section 11114 of the Penal Code or maintained pursuant to the system maintained pursuant to Sections 14203 and 14204 of the Penal Code.

(b) Awards shall be made upon recommendation of the Department of Justice in an amount of not to exceed five hundred dollars ($500) to any one individual. However, as a condition to an award, in any particular case, an amount equal to or greater in nonstate funds shall have been first offered as a reward for information leading to the location of that missing child.

(c) The Missing Children Reward Fund is abolished and any remaining balance is transferred to the Restitution Fund. The California Victim Compensation and Government Claims Board shall make awards pursuant to this section from the Restitution Fund, using the appropriation authority provided in Section 13964.

SEC. 22. Section 16522 of the Government Code is amended to read:

16522. The following securities may be received as security for demand and time deposits:

(a) Bonds, notes, or other obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest, including the guaranteed portions of small business administration loans, so long as those loans are obligations for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Notes or bonds or any obligations of a local public agency (as defined in the United States Housing Act of 1949) or any obligations of a public housing agency (as defined in the United States Housing Act of 1937) for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Bonds of this state or of any county, city, town, metropolitan water district, municipal utility district, municipal water district, bridge and highway district, flood control district, school district, water district, water conservation district or irrigation district within this state, and, in addition, revenue or tax anticipation notes, and revenue bonds payable solely out of

the revenues from a revenue-producing property owned, controlled or operated by this state, or such local agency or district, or by a department, board, agency, or authority thereof.

(d) Registered warrants of this state.

(e) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by the United States Postal Service, federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended, consolidated obligations of the Federal Home Loan Banks established under the Federal Home Loan Bank Act, bonds, debentures and other obligations of the Federal National Mortgage Association and of the Government National Mortgage Association established under the National Housing Act as amended, in the bonds of any federal home loan bank established under said act, bonds, debentures, and other obligations of the Federal Home Loan Mortgage Corporation established under the Emergency Home Finance Act of 1970, and in bonds, notes, and other obligations issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act, as amended.

(f) Bonds and notes of the California Housing Finance Agency issued pursuant to Chapter 7 (commencing with Section 41700) of Part 3 of Division 31 of the Health and Safety Code.

(g) Promissory notes secured by first mortgages and first trust deeds upon residential real property located in California, provided that:

(1) Notwithstanding Section 16521, the promissory notes shall at all times be in an amount in value at least 50 percent in excess of the amount deposited with the bank;

(2) The Treasurer issues regulations, establishes procedures for determining the value of the promissory notes and develops standards necessary to protect the security of the deposits so collateralized;

(3) The depository may exercise, enforce, or waive any right or power granted to it by promissory note, mortgage, or deed of trust; and

(4) The following may not be used as security for deposits:

(i) Any promissory note on which any payment is more than 90 days past due,

(ii) Any promissory note secured by a mortgage or deed of trust as to which there is a lien prior to the mortgage or deed of trust, or

(iii) Any promissory note secured by a mortgage or deed of trust as to which a notice of default has been recorded pursuant to Section 2924 of the Civil Code or an action has been commenced pursuant to Section 725a of the Code of Civil Procedure.

(h) Bonds issued by the State of Israel.

(i) Obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the International Finance Corporation, or the Government Development Bank of Puerto Rico.

(j) Any municipal securities, as defined by Section 3(a)(29) of the Securities Exchange Act of June 6, 1934, (15 U.S.C. 78, as amended), which are issued by this state or any local agency thereof.

(k) Letters of credit issued by the Federal Home Loan Bank of San Francisco, which shall be in the form and shall contain provisions as the Treasurer may prescribe, and shall include the following terms:

(1) The Treasurer shall be the beneficiary of the letter of credit.

(2) The letter of credit shall be clean and irrevocable, and shall provide that the Treasurer may draw upon it up to the total amount in the event of the failure of the bank or if the bank refuses to permit the withdrawal of funds by the Treasurer or any other authorized state officer or employee.

(*l*) An eligible bank that has been selected by the Treasurer for the safekeeping of money belonging to, or in the custody of, the state, and that has its headquarters located outside of the state, may submit letters of credit that are drawn on its regional federal home loan bank as security, solely for deposits maintained in the Treasurer's demand accounts, and subject to the terms set forth in paragraphs (1) and (2) of subdivision (k).

SEC. 23. Section 16551 of the Government Code is amended to read:

16551. With the consent of the bank owning securities deposited or to be deposited with him or her as security, the Treasurer may:

(a) Authorize any qualified trust company, other than the depositor bank, or any federal reserve bank or any branch thereof or any state or national bank located in any city designated as a reserve or central reserve city by the Board of Governors of the Federal Reserve System to receive as his or her agent deposits of any securities approved under this chapter.

(b) Place and maintain for safekeeping as a trust deposit with any qualified trust company, other than the depositor bank, or with any federal reserve bank or any branch thereof any securities that have been received by him or her under this chapter.

(c) Whenever any qualified trust company accepts such securities under paragraph (a) or (b) such trust company, with the prior approval of the Treasurer, may keep such securities for safekeeping with any state or national bank located in a city designated as a reserve or central reserve city by the Board of Governors of the Federal Reserve System.

SEC. 24. Section 16552 of the Government Code is amended to read:

16552. The Treasurer shall take from the qualified trust company or from any federal reserve bank or any branch thereof a receipt for any securities received by it under this article. Neither the Treasurer nor the state is responsible for the custody and safe return of such securities until they are withdrawn from the qualified trust company or from any federal reserve bank or any branch thereof by the Treasurer.

SEC. 25. Section 16553 of the Government Code is amended to read:

16553. Any qualified trust company or any federal reserve bank or any branch thereof to which securities are delivered, either as agent or depositary for the Treasury, shall make such disposition of the securities as the Treasurer directs and is responsible only for strict compliance with written instructions

given to it by the Treasurer. All such securities are at all times subject to the order of the Treasurer.

SEC. 26. Section 16554 of the Government Code is amended to read:

16554. The charges of any qualified trust company or of any federal reserve bank or any branch thereof for the handling and safekeeping of such securities are not a charge against the Treasurer but shall be paid by the owner.

SEC. 27. Section 16626 of the Government Code is amended to read:

16626. With the consent of the savings and loan association or credit union owning securities deposited or to be deposited with him or her as security, the Treasurer may:

(a) Authorize any qualified trust company or any federal reserve bank or any branch thereof or any state or national bank located in any city designated as a reserve or central reserve city by the Board of Governors of the Federal Reserve System or the Federal Home Loan Bank of San Francisco to receive as his or her agent deposits of any securities approved under this chapter.

(b) Place and maintain for safekeeping as a trust deposit with any qualified trust company, or with any federal reserve bank or any branch thereof or the Federal Home Loan Bank of San Francisco any securities that have been received by him or her under this chapter.

(c) Whenever any qualified trust company accepts securities under paragraph (a) or (b) the trust company, with the prior approval of the Treasurer, may keep the securities for safekeeping with any state or national bank located in a city designated as a reserve or central reserve city by the Board of Governors of the Federal Reserve System.

SEC. 28. Section 16627 of the Government Code is amended to read:

16627. The Treasurer shall take from the qualified trust company or from any federal reserve bank or any branch thereof or the Federal Home Loan Bank of San Francisco a receipt for any securities received by it under this article. Neither the Treasurer nor the state is responsible for the custody and safe return of such securities until they are withdrawn from the qualified trust company or from any federal reserve bank or any branch thereof or from the Federal Home Loan Bank of San Francisco by the Treasurer.

SEC. 29. Section 16628 of the Government Code is amended to read:

16628. Any qualified trust company or any federal reserve bank or any branch thereof or the Federal Home Loan Bank of San Francisco to which securities are delivered, either as agent or depositary for the Treasury, shall make such disposition of the securities as the Treasurer directs and is responsible only for strict compliance with written instructions given to it by the Treasurer. All such securities are at all times subject to the order of the Treasurer.

SEC. 30. Section 16629 of the Government Code is amended to read:

16629. The charges of any qualified trust company or of any federal reserve bank or any branch thereof or the Federal Home Loan Bank of San Francisco for the handling and safekeeping of such securities are not a charge against the Treasurer but shall be paid by the owner.

SEC. 31. Section 17604 is added to the Government Code, to read:

17604. (a) The Department of Finance, in collaboration with the Secretary of State and the Legislative Analyst's Office, shall convene a working group to evaluate alternatives for funding election-related state mandates. The working group shall commence no later than September 1, 2015. By September 1, 2016, the Department of Finance shall submit to the Legislature a report that summarizes the findings of the working group, including recommendations to the Legislature.

(b) (1) The Department of Finance shall conduct a survey of county election officials during years in which a statewide general election is held pursuant to Section 1200 of the Elections Code to determine whether or not counties are carrying out the requirements set forth in the following state mandates:

(A) Absentee ballots.

(B) Absentee ballots tabulation by precinct.

(C) Modified primary election.

(D) Permanent absentee voters II.

(E) Voter identification procedures.

(F) Voter registration procedures.

(2) The Department of Finance shall report the results of the survey to the Legislature by each April 1 following a statewide general election.

(c) A report to be submitted pursuant to subdivisions (a) and (b) shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 32. Section 19213 is added to the Government Code, to read:

19213. "Additional appointment" is the term used when a state civil service employee is appointed to more than one position in state service. An additional appointment shall comply with state civil service laws and rules. Consistent with board rules, the Department of Human Resources shall adopt policies to advise state agencies regarding the procedures and appropriate use of additional appointments.

SEC. 33. Section 21231 is added to the Government Code, to read:

21231. (a) On and after January 1, 2013, a retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by this system, as an elective officer.

(b) If a retired person serves without reinstatement from retirement in an elective office and part or all of his or her retirement allowance is based on service in that elective office, the portion of the allowance based on service in that elective office shall be suspended during incumbency in that elective office. The entire retirement allowance shall be paid for time on and after the person vacates the elective office in the monthly amount payable had the allowance not been suspended. The governing body of every employer other than the state shall cause immediate notice to be given to this system of the election of any retired person to an office of the employer.

SEC. 34. Section 21232 is added to the Government Code, to read:

21232. On and after January 1, 2013, a person who has retired for disability and has not attained the mandatory age for retirement for persons

in the employment in which he or she will be employed, and whom the board finds is not disabled for that employment, may be so employed by any employer without reinstatement from retirement if the position is not the position from which this person retired or a position in the same member classification. The person's disability retirement pension shall be reduced during this employment to an amount that, when added to the compensation received, equals the maximum compensation earnable by a person holding the position that he or she held at the time of retirement. This employment shall terminate upon the person's attainment of the mandatory retirement age for persons in that employment. A person employed under this section shall not be concurrently employed under this article.

SEC. 35. Section 27397 of the Government Code is amended to read:

27397. (a) A county establishing an electronic recording delivery system under this article shall pay for the direct cost of regulation and oversight by the Attorney General.

(b) The Attorney General may charge a fee directly to a vendor seeking approval of software and other services as part of an electronic recording delivery system. The fee shall not exceed the reasonable costs of approving software or other services for vendors.

(c) In order to pay costs under this section, a county may do any of the following:

(1) Impose a fee in an amount up to and including one dollar ($1) for each instrument that is recorded by the county. This fee may, at the county's discretion, be limited to instruments that are recorded pursuant to the electronic recording delivery system.

(2) Impose a fee upon any vendor seeking approval of software and other services as part of an electronic recording delivery system.

(3) Impose a fee upon any person seeking to contract as an authorized submitter.

(d) The total fees assessed by a county recorder pursuant to this section may not exceed the reasonable total costs of the electronic recording delivery system, the review and approval of vendors and potential authorized submitters, security testing as required by this article and the regulations of the Attorney General, and reimbursement to the Attorney General for regulation and oversight of the electronic recording delivery system.

(e) Fees paid to the Attorney General pursuant to subdivisions (a) and (b) shall be deposited in the Electronic Recording Authorization Fund which is hereby created in the State Treasury, and, notwithstanding Section 13340, is continuously appropriated, without regard to fiscal years, to the Attorney General for the costs described in those subdivisions. Moneys deposited in the Electronic Recording Authorization Account prior to the effective date of the amendments to this subdivision made during the 2015 Regular Session shall be immediately transferred to the Electronic Recording Authorization Fund.

SEC. 36. Section 65050 is added to the Government Code, to read:

65050. There is hereby established a Statewide Director of Immigrant Integration. The director shall be appointed by and serve at the pleasure of

the Governor. The director shall serve as the statewide lead for the planning and coordination of immigrant services and policies in California. The duties of the Statewide Director of Immigrant Integration shall include, but are not limited to, all of the following:

(a) Develop comprehensive statewide report on programs and services that serve immigrants, including immigrants regardless of legal presence. The report shall include all of the following:

(1) Federal and state laws, regulations, and policies that create programs or authorize the access or participation of immigrants, including immigrants without legal presence.

(2) Programs and services currently managed by a state agency or department to support California immigrants, such as naturalization services and other immigrant assistance programs, and the agency or department responsible for administering the funding or implementing the program.

(b) On or before January 10, 2017, report to the Governor and the Legislature on the programs and services described in subdivision (a) and a statewide plan for better implementation and coordination of immigrant assistance policies and programs.

(c) On or before July 10, 2017, develop an online clearinghouse of immigrant services, resources, and programs.

(d) Monitor the implementation of statewide laws and regulations that serve immigrants.

SEC. 37. Section 65051 is added to the Government Code, to read:

65051. (a) The Immigrant Integration Fund is hereby created in the State Treasury. Moneys in the fund shall be used for any purpose authorized by this chapter.

(b) The Immigrant Integration Fund may be funded by both private and public funds. Cash donations received pursuant to this subdivision shall be deposited into the fund and shall be made available immediately upon deposit and appropriation by the Legislature for the purposes described in this chapter.

SEC. 38. Chapter 4 (commencing with Section 34090) is added to Part 1.6 of Division 24 of the Health and Safety Code, to read:

Chapter 4. Drought Housing Relocation Assistance

34090. (a) The department may provide temporary assistance to a person moving out of a housing unit due to a lack of potable water connected to the housing unit resulting from the drought conditions described in the state of emergency proclaimed by the Governor on January 17, 2014, if both of the following requirements are met:

(1) The person has exhausted all reasonable attempts to find a potable water source for the housing unit.

(2) The housing unit is served by a private well or water utility with fewer than 15 connections that is running out of potable water due to drought conditions.

(b) (1) The department may administer the housing assistance or contract with a qualified state or local government agency or nonprofit organization to administer the assistance.

(2) The department may utilize available funds to leverage or complement other rental housing subsidy programs providing temporary assistance to qualifying households.

(c) The department shall adopt guidelines to implement this chapter, including, but not limited to, eligibility, income limits, type of assistance to be provided, and amounts of assistance.

34091. Any rule, policy, or standard of general application employed by the department in implementing this chapter shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

34092. This chapter shall remain in effect only until June 30, 2017, and as of that date is repealed.

SEC. 39. Section 50661 of the Health and Safety Code is amended to read:

50661. (a) There is hereby created in the State Treasury the Housing Rehabilitation Loan Fund. All interest or other increments resulting from the investment of moneys in the Housing Rehabilitation Loan Fund shall be deposited in the fund, notwithstanding Section 16305.7 of the Government Code. Notwithstanding Section 13340 of the Government Code, all money in the fund is continuously appropriated to the department for the following purposes:

(1) For making deferred-payment rehabilitation loans for financing all or a portion of the cost of rehabilitating existing housing to meet rehabilitation standards as provided in this chapter.

(2) For making deferred payment loans as provided in Sections 50668.5, 50669, and 50670.

(3) For making deferred payment loans pursuant to Sections 50662.5 and 50671.

(4) Subject to the restrictions of Section 53131, if applicable, for administrative expenses of the department made pursuant to this chapter, Article 3 (commencing with Section 50693) of Chapter 7.5, and Chapter 10 (commencing with Section 50775).

(5) For related administrative costs of nonprofit corporations and local public entities contracting with the department pursuant to Section 50663 in an amount, if any, as determined by the department, to enable the entities and corporations to implement a program pursuant to this chapter. The department shall ensure that not less than 20 percent of the funds loaned pursuant to this chapter shall be allocated to rural areas. For purposes of this chapter, “rural area” shall have the same meaning as in Section 50199.21.

(6) To the extent no other funding sources are available, ten million dollars ($10,000,000), as provided in Section 4 of Chapter 3 of the Statutes of 2014, may be used for the purposes of Section 34085.

(7) To the extent that funds are made available by the Legislature, moneys in the fund may be used for the purposes described in Chapter 4 (commencing with Section 34090) of Part 1.6 of Division 24. Any funds made available for these purposes that are not encumbered on or before June 30, 2017, shall revert to the General Fund.

(b) There shall be paid into the fund the following:

(1) Any moneys appropriated and made available by the Legislature for purposes of the fund.

(2) Any moneys that the department receives in repayment of loans made from the fund, including any interest thereon.

(3) Any other moneys that may be made available to the department for the purposes of this chapter from any other source or sources.

(4) Moneys transferred or deposited to the fund pursuant to Sections 50661.5 and 50778.

(c) Notwithstanding any other law, any interest or other increment earned by the investment or deposit of moneys appropriated by subdivision (b) of Section 3 of Chapter 2 of the Statutes of the 1987–88 First Extraordinary Session, or Section 7 of Chapter 4 of the Statutes of the 1987–88 First Extraordinary Session, shall be deposited in a special account in the Housing Rehabilitation Loan Fund and shall be used exclusively for purposes of Sections 50662.5 and 50671.

(d) Notwithstanding any other law, effective with the date of the act adding this subdivision, appropriations authorized by the Budget Act of 1996 for support of the Department of Housing and Community Development from the California Disaster Housing Repair Fund and the California Homeownership Assistance Fund shall instead be authorized for expenditure from the Housing Rehabilitation Loan Fund.

(e) Effective July 1, 2014, the California Housing Trust Fund in the State Treasury is abolished and any remaining balance, assets, liabilities, and encumbrances shall be transferred to, and become part of, the Housing Rehabilitation Loan Fund. Notwithstanding Section 13340 of the Government Code, all transferred amounts are continuously appropriated to the department for the purpose of satisfying any liabilities and encumbrances and the purposes specified in this section.

SEC. 40. Section 50716 of the Health and Safety Code is amended to read:

50716. (a) Notwithstanding any other law, to respond to the state of emergency proclaimed by the Governor on January 17, 2014, the department shall, directly or through contracts, make the Office of Migrant Services centers available for rent by persons or families experiencing economic hardships or rendered homeless or at risk of becoming homeless as a result of the drought. This may include, but is not limited to, extending the period of occupancy prior to or beyond the standard 180-day period and redefining persons and families eligible to occupy the centers. To the extent feasible, the department shall give preference to persons and families that meet existing program criteria.

(b) The department may adopt program guidelines to implement this section. Any rule, policy, or standard of general application employed by the department in implementing the provisions of this section shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

SEC. 41. Section 10089.395 is added to the Insurance Code, immediately following Section 10089.39, to read:

10089.395. (a) The Legislature finds and declares that there exists the California Residential Mitigation Program, also known as the CRMP, a joint powers authority created in 2012 by agreement between the California Earthquake Authority and the Office of Emergency Services.

(b) Any funds appropriated by the Legislature for the purpose of funding the CRMP's implementation of the grant program described in this section shall be to the department, which shall provide the funds to the California Earthquake Authority's Earthquake Loss Mitigation Fund, pursuant to subdivision (k) of Section 10089.7 and according to the terms of an agreement negotiated by the department and the authority. The authority, the prime funder of the CRMP, shall then transfer the funds from its Earthquake Loss Mitigation Fund to the CRMP for further implementation and expansion of the CRMP's Earthquake Brace and Bolt program, upon actions by the respective governing boards of the authority and the CRMP, authorizing and accepting that transfer. The CRMP shall, pursuant to the requirements of this section, implement the grant program and make grants that assist a qualifying owner of a single-family residential structure by defraying the owner's costs of seismic retrofitting of the structure.

(c) The CRMP may make a grant to an applicant who satisfies all of the following:

(1) The applicant is an owner of record of, and lives in, the structure to be retrofitted.

(2) The structure is a single-family, detached, residential building composed of one to four dwelling units.

(3) The structure meets structural requirements established pursuant to subdivision (e).

(4) The structure is located in a high-risk earthquake area, based on criteria established pursuant to subdivision (e).

(5) The retrofit work qualifies as work for which the applicant may receive a grant, based on criteria established pursuant to subdivision (e).

(d) Subject to the policies, procedures, and criteria adopted pursuant to subdivision (e), a grant shall not exceed the lesser of 75 percent of the cost of the qualifying retrofit work, or three thousand dollars ($3,000).

(e) The governing board of the CRMP shall adopt policies and procedures to implement this section, including, but not limited to, establishing structural eligibility requirements for structures that will receive a grant for seismic retrofit work, defining criteria for determining whether a structure is located in a high-earthquake-risk area, and defining criteria for seismic retrofit work that qualifies as work eligible for receipt of a grant, which may be awarded

in amounts of greater or lesser than the amounts established by subdivision (d). In adopting those policies and procedures, the governing board shall provide notice and opportunity for public review and comment, publish the policies and procedures on the CRMP's Internet Web site, and otherwise make the policies and procedures available to the public.

SEC. 42. Section 10089.397 is added to the Insurance Code, to read:

10089.397. (a) The Legislature finds and declares that there exists the California Residential Mitigation Program, also known as the CRMP, a joint powers authority created in 2012 by agreement between the California Earthquake Authority and the Office of Emergency Services.

(b) Any funds appropriated by the Legislature for the purpose of funding the CRMP's implementation of the grant program described in this section shall be to the department, which shall provide the funds to the California Earthquake Authority's Earthquake Loss Mitigation Fund, pursuant to subdivision (k) of Section 10089.7 and according to the terms of an agreement negotiated by the department and the authority. The authority, the prime funder of the CRMP, shall then transfer the funds from its Earthquake Loss Mitigation Fund to the CRMP for further implementation and expansion of the CRMP's Earthquake Brace and Bolt program, upon actions by the respective governing boards of the authority and the CRMP, authorizing and accepting that transfer. The CRMP may, pursuant to the requirements of this section, implement the grant program and on or after July 1, 2015, make grants that assist a qualifying owner of a multiunit residential structure by defraying the owner's cost of seismic retrofitting of the structure.

(c) The CRMP may make a grant to an applicant who satisfies all of the following:

(1) The applicant is an owner of record of the structure to be retrofitted and has secured the written consent of all other owners of the structure to make a grant application.

(2) The structure is a residential building of not fewer than two, but not more than 10, dwelling units.

(3) The dwelling units in the structure are occupied by tenants who are members of "lower income households," as defined in subdivision (a) of Section 50079.5 of the Health and Safety Code.

(4) The structure meets structural requirements established pursuant to subdivision (d).

(5) The structure is located in a high-risk earthquake area, based on criteria established pursuant to subdivision (d).

(6) The retrofit work qualifies as work for which the applicant may receive a grant, based on criteria established pursuant to subdivision (d).

(d) The governing board of the CRMP shall adopt policies and procedures necessary to implement this section, including, but not limited to, establishing the means by which the applicant may satisfy the tenant-related economic eligibility criteria for the program, establishing structural eligibility requirements for a structure that will receive seismic retrofit work, defining criteria for determining whether a structure is located in a high-risk

earthquake area, defining criteria for seismic retrofit work that qualifies as work eligible for receipt of a grant, and defining criteria for the determination of the amount of a grant awarded pursuant to the program created by this section. In adopting those policies and procedures, the governing board shall provide notice and opportunity for public review and comment, publish the policies and procedures on the CRMP's Internet Web site, and otherwise make the policies and procedures available to the public.

SEC. 43. Section 6309 of the Labor Code is amended to read:

6309. (a) If the division learns or has reason to believe that an employment or place of employment is not safe or is injurious to the welfare of an employee, it may, on its own motion, or upon complaint, summarily investigate the employment or place of employment, with or without notice or hearings. However, if the division receives a complaint from an employee, an employee's representative, including, but not limited to, an attorney, health or safety professional, union representative, or government agency representative, or an employer of an employee directly involved in an unsafe place of employment, that his or her employment or place of employment is not safe, it shall, with or without notice or hearing, summarily investigate the complaint as soon as possible, but not later than three working days after receipt of a complaint charging a serious violation, and not later than 14 calendar days after receipt of a complaint charging a nonserious violation. The division shall attempt to determine the period of time in the future that the complainant believes the unsafe condition may continue to exist, and shall allocate inspection resources so as to respond first to those situations in which time is of the essence. For purposes of this section, a complaint is deemed to allege a serious violation if the division determines that the complaint charges that there is a substantial probability that death or serious physical harm could result from a condition which exists, or from one or more practices, means, methods, operations, or processes which have been adopted or are in use in a place of employment. When a complaint charging a serious violation is received from a state or local prosecutor, or a local law enforcement agency, the division shall summarily investigate the employment or place of employment within 24 hours of receipt of the complaint. All other complaints are deemed to allege nonserious violations. The division may enter and serve any necessary order relative thereto. The division is not required to respond to a complaint within this period where, from the facts stated in the complaint, it determines that the complaint is intended to willfully harass an employer or is without any reasonable basis.

(b) The division shall keep complete and accurate records of all complaints, whether verbal or written, and shall inform the complainant, whenever his or her identity is known, of any action taken by the division in regard to the subject matter of the complaint, and the reasons for the action, within 14 calendar days of taking any action. The records of the division shall include the dates on which any action was taken on the complaint, or the reasons for not taking any action on the complaint. The division shall, pursuant to authorized regulations, conduct an informal review of any refusal by a representative of the division to issue a citation with

respect to an alleged violation. The division shall furnish the employee or the representative of employees requesting the review a written statement of the reasons for the division's final disposition of the case.

(c) The name of a person who submits to the division a complaint regarding the unsafe condition of an employment or place of employment shall be kept confidential by the division, unless that person requests otherwise.

(d) The division shall annually compile and release on its Internet Web site data pertaining to complaints received and citations issued.

(e) The requirements of this section do not relieve the division of its requirement to inspect and assure that all places of employment are safe and healthful for employees. The division shall maintain the capability to receive and act upon complaints at all times. However, the division shall prioritize investigations of reports of accidents involving death or serious injury or illness and complaints that allege a serious violation over investigations of complaints that allege a nonserious violation.

SEC. 44. Section 7314 of the Labor Code is amended to read:

7314. (a) The division may, subject to subdivision (f), fix and collect fees for the inspection of conveyances as it deems necessary to cover the actual costs of having the inspection performed by a division safety engineer, including administrative costs, and the costs related to regulatory development as required by Section 7323. An additional fee may, in the discretion of the division, be charged for necessary subsequent inspections to determine if applicable safety orders have been complied with. The division may fix and collect fees for field consultations regarding conveyances as it deems necessary to cover the actual costs of the time spent in the consultation by a division safety engineer, including administrative and travel expenses.

(b) Notwithstanding Section 6103 of the Government Code, the division may collect the fees authorized by subdivision (a) from the state or any county, city, district, or other political subdivision.

(c) Whenever a person owning or having the custody, management, or operation of a conveyance fails to pay the fees required under this chapter within 60 days after the date of notification, he or she shall pay, in addition to the fees required under this chapter, a penalty fee equal to 100 percent of the fee. Failure to pay fees within 60 days after the date of notification constitutes cause for the division to prohibit use of the conveyance.

(d) (1) Any fees required pursuant to this section shall, except as otherwise provided in paragraph (2), be set forth in regulations that shall be adopted as emergency regulations. These emergency regulations shall not be subject to the review and approval of the Office of Administrative Law pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). These regulations shall become effective immediately upon filing with the Secretary of State.

(2) A suspension or reduction of fees pursuant to subdivision (f) is not required to be set forth in a regulation.

(e) For purposes of this section, the date of the invoice assessing a fee pursuant to this section shall be considered the date of notification.

(f) (1) For the 2015–16 fiscal year, the fees for the annual and biennial inspection of conveyances required by Section 7304 are suspended on a one-time basis.

(2) For the 2016–17 fiscal year, and for every fiscal year thereafter, the Director of Industrial Relations, upon concurrence of the Department of Finance, may suspend or reduce the fees for the annual and biennial inspections of conveyances required by Section 7304 on a one-time basis for that fiscal year in order to reduce the amount of moneys in the Elevator Safety Account.

SEC. 45. Section 10340 of the Public Contract Code is amended to read:

10340. (a) Except as provided by subdivision (b), state agencies shall secure at least three competitive bids or proposals for each contract.

(b) Three competitive bids or proposals are not required in any of the following cases:

(1) In cases of emergency where a contract is necessary for the immediate preservation of the public health, welfare, or safety, or protection of state property.

(2) When the agency awarding the contract has advertised the contract in the California State Contracts Register and has solicited all potential contractors known to the agency, but has received less than three bids or proposals.

(3) (A) The contract is with another state agency, a local governmental entity, an auxiliary organization of the California State University, an auxiliary organization of a California community college, a foundation organized to support the Board of Governors of the California Community Colleges, or an auxiliary organization of the Student Aid Commission established pursuant to Section 69522 of the Education Code. These contracts, however, may not be used to circumvent the competitive bidding requirements of this article.

(B) Notwithstanding subparagraph (A), until January 1, 2019, an interagency agreement that is in effect pursuant to the amount appropriated to the Office of Planning and Research under Item 0650-001-0001 of the Budget Act of 2014, including a contract between the Office of Planning and Research, the Regents of the University of California, or an auxiliary organization of the California State University, may include a subcontract not subject to any competitive bidding requirements of this article for the limited purpose of researching or developing precision medicine.

(4) The contract meets the conditions prescribed by the department pursuant to subdivision (a) of Section 10348.

(5) The contract has been awarded without advertising and calling for bids pursuant to Section 19404 of the Welfare and Institutions Code.

(6) Contracts entered into pursuant to Section 14838.5 of the Government Code.

(7) Contracts for the development, maintenance, administration, or use of licensing or proficiency testing examinations.

(8) The contract is for services for the operation, maintenance, repair, or replacement of specialized equipment at facilities of the State Water Resources Development System, as defined in Section 12931 of the Water Code, and meets the conditions established by the Department of Water Resources for those contracts.

(9) The contract meets the conditions prescribed by the Department of Water Resources for contracts subject to Section 10295.6.

(10) Contracts entered into by the Commission on Peace Officer Standards and Training or the Office of Emergency Services solely for the services of instructors for public safety training. For the purpose of this paragraph, "public safety training" includes, but is not limited to, training related to law enforcement, emergency medical response, emergency volunteers, and fire responders.

(c) Any agency which has received less than three bids or proposals on a contract shall document, in a manner prescribed by the department, the names and addresses of the firms or individuals it solicited for bids or proposals.

SEC. 46. Section 10878 of the Revenue and Taxation Code is amended to read:

10878. (a) Notwithstanding Sections 10877 and 10951, the responsibility and authority for the collection of the following delinquent amounts, and any interest, penalties, or service fees added thereto, shall be transferred from the department to the Franchise Tax Board:

(1) Registration fees.

(2) Transfer fees.

(3) License fees.

(4) Use taxes.

(5) Penalties for offenses relating to the standing or parking of a vehicle for which a notice of parking violation has been served on the owner, and any administrative service fee added to the penalty.

(6) Unpaid tolls, toll evasion penalties as described in Section 40252 of the Vehicle Code, and any related administrative or service fees.

(7) Any court-imposed fine or penalty assessment, and any administrative service fee added thereto, that is subject to collection by the department.

(b) Any reference in this part to the department in connection with the duty to collect these amounts shall be deemed a reference to the Franchise Tax Board.

(c) The amounts collected under subdivision (a) may be collected in any manner authorized under the law as though they were a tax imposed under Part 10 (commencing with Section 17001) that is final, including, but not limited to, issuance of an order and levy under Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure in the manner provided for earnings withholding order for taxes. Part 10 (commencing with Section 17001), 10.2 (commencing with Section 18401), or 10.7 (commencing with Section 21001), or any other applicable law shall apply for this purpose in the same manner and with the same force and effect as if the language of Part 10, 10.2, or 10.7,

or the other applicable law is incorporated in full into this authority to collect these amounts, except to the extent that the provision is either inconsistent with the collection of these amounts or is not relevant to the collection of these amounts.

(d) Even though the amounts authorized by this section are collected as though they are taxes, amounts so received by the Franchise Tax Board shall be deposited into an appropriate fund or account upon agreement between the Franchise Tax Board and the department. The amounts shall be distributed by the department from the appropriate fund or account in accordance with the laws providing for the deposits and distributions as though the moneys were received by the department.

(e) For any collection action under this section, the Franchise Tax Board may utilize the contract authorization, procedures, and mechanisms available either with respect to the collection of taxes, interest, additions to tax, and penalties pursuant to Section 19376, or with respect to the collection of the delinquencies by the department immediately prior to the time this section takes effect.

(f) The Legislature finds that it is essential for fiscal purposes that the program authorized by this section be expeditiously implemented. Accordingly, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any standard, criteria, procedure, determination, rule, notice, or guideline established or issued by the Franchise Tax Board in implementing and administering the program required by this section.

(g) Any standard, criteria, procedure, determination, rule, notice, or guideline, that is not subject to the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code pursuant to subdivision (f), shall be approved by the Franchise Tax Board, itself.

(h) The Franchise Tax Board may enter into any agreements or contracts necessary to implement and administer the provisions of this section. The Franchise Tax Board in administering this section may delegate collection activities to the department. Any contracts may provide for payment of the contract on the basis of a percentage of the amount of revenue realized as a result of the contractor’s services under that contract. However, the Franchise Tax Board, in administering this part, may not enter into contracts with private collection agencies as authorized under Section 19377.

(i) The amendments made to this section by the act adding this subdivision shall apply commencing with the effective date of the act adding this subdivision.

SEC. 47. Section 17138.3 is added to the Revenue and Taxation Code, to read:

17138.3. (a) For each taxable year beginning on or after July 1, 2015, gross income does not include an amount received as a loan, loan forgiveness, grant, credit, rebate, voucher, or other financial incentive issued by the California Residential Mitigation Program or the California

Earthquake Authority to assist a residential property owner or occupant with expenses paid, or obligations incurred, for earthquake loss mitigation.

(b) For the purposes of this section, "earthquake loss mitigation" means an activity that reduces seismic risks to a residential structure or its contents, or both. For purposes of structural seismic risk mitigation, a residential structure is a structure described in subdivision (a) of Section 10087 of the Insurance Code.

SEC. 48. Section 24308.7 is added to the Revenue and Taxation Code, to read:

24308.7. (a) For each taxable year beginning on or after July 1, 2015, gross income does not include an amount received as a loan, loan forgiveness, grant, credit, rebate, voucher, or other financial incentive issued by the California Residential Mitigation Program or the California Earthquake Authority to assist a residential property owner or occupant with expenses paid, or obligations incurred, for earthquake loss mitigation.

(b) For the purposes of this section, "earthquake loss mitigation" means an activity that reduces seismic risks to a residential structure or its contents, or both. For purposes of structural seismic risk mitigation, a residential structure is a structure described in subdivision (a) of Section 10087 of the Insurance Code.

SEC. 49. Section 41030 of the Revenue and Taxation Code, as amended by Chapter 926 of the Statutes of 2014, is amended to read:

41030. (a) The Office of Emergency Services shall determine annually, on or before October 1, to be effective on January 1 of the following year, a surcharge rate pursuant to subdivision (b) that it estimates will produce sufficient revenue to fund the current fiscal year's 911 costs.

(b) (1) The surcharge rate shall be determined by dividing the costs (including incremental costs) the Office of Emergency Services estimates for the current fiscal year of 911 costs approved pursuant to Article 6 (commencing with Section 53100) of Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code, less the available balance in the State Emergency Telephone Number Account in the General Fund, by its estimate of the charges for intrastate telephone communications services and VoIP service to which the surcharge will apply for the period of January 1, 2015, to December 31, inclusive, of the next succeeding calendar year, but in no event shall the surcharge rate in any year be greater than three-quarters of 1 percent nor less than one-half of 1 percent.

(2) Commencing with the calculation made October 1, 2015, to be effective January 1, 2016, the surcharge shall be determined by dividing the costs (including incremental costs) the Office of Emergency Services estimates for the current fiscal year of 911 costs approved pursuant to Article 6 (commencing with Section 53100) of Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code, less the available balance in the State Emergency Telephone Number Account in the General Fund, by its estimate of the charges for intrastate telephone communications services, the intrastate portion of prepaid mobile telephony services, and VoIP service to which the surcharge will apply for the period of January 1 to December 31,

inclusive, of the next succeeding calendar year, but in no event shall the surcharge rate in any year be greater than three-quarters of 1 percent or less than one-half of 1 percent. In making its computation of the charges that are applicable to the intrastate portion of prepaid mobile telephony services, the Office of Emergency Services shall use the computation method developed by the Public Utilities Commission and reported to the Office of Emergency Services pursuant to subdivisions (a) and (b) of Section 319 of the Public Utilities Code.

(c) When determining the surcharge rates pursuant to this section, the office shall include the costs it expects to incur to plan, test, implement, and operate Next Generation 911 technology and services, including text to 911 service, consistent with the plan and timeline required by Section 53121 of the Government Code.

(d) The office shall notify the board of the surcharge rate imposed under this part, determined pursuant to this section on or before October 1 of each year, and the surcharge rate applicable to prepaid mobile telephony services determined pursuant to this section for purposes of the prepaid MTS surcharge calculated under Part 21 (commencing with Section 42001) on or before October 15 of each year.

(e) At least 30 days prior to determining the surcharge pursuant to subdivision (a), the Office of Emergency Services shall prepare a summary of the calculation of the proposed surcharge and make it available to the public, the Legislature, the 911 Advisory Board, and on its Internet Web site. The summary shall contain all of the following:

(1) The prior year revenues to fund 911 costs, including, but not limited to, revenues from prepaid service.

(2) Projected expenses and revenues from all sources, including, but not limited to, prepaid service to fund 911 costs.

(3) The rationale for adjustment to the surcharge determined pursuant to subdivision (b), including, but not limited to, all impacts from the surcharge collected pursuant to Part 21 (commencing with Section 42001).

(f) This section shall remain in effect only until January 1, 2020, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2020, deletes or extends that date.

SEC. 50. Section 41032 of the Revenue and Taxation Code is amended to read:

41032. Immediately upon notification by the Office of Emergency Services and fixing the surcharge rate, the board shall each year no later than November 15 publish in its minutes the new rate, and it shall notify every service supplier registered with it of the new rate by a means, or means determined by the board, that may include, but is not limited to, mail, electronic mail, or Internet Web site postings.

SEC. 51. Section 42010 of the Revenue and Taxation Code is amended to read:

42010. (a) (1) On and after January 1, 2016, a prepaid MTS surcharge shall be imposed on each prepaid consumer and shall be collected by a seller from each prepaid consumer at the time of each retail transaction in this

state. The prepaid MTS surcharge shall be imposed as a percentage of the sales price of each retail transaction that occurs in this state.

(2) The prepaid MTS surcharge shall be in lieu of any charges imposed pursuant to the Emergency Telephone Users Surcharge Act (Part 20 (commencing with Section 41001)) and the Public Utilities Commission surcharges for prepaid mobile telephony services.

(b) The prepaid MTS surcharge shall be annually calculated by the board by no later than November 1 of each year commencing November 1, 2015, by adding the following:

(1) The surcharge rate reported pursuant to subdivision (d) of Section 41030.

(2) The Public Utilities Commission's reimbursement fee and telecommunications universal service surcharges, established by the Public Utilities Commission pursuant to subdivisions (a) and (b) of Section 319 of the Public Utilities Code.

(c) (1) The board shall post, for each local jurisdiction, the combined total of the rates of prepaid MTS surcharge and the rate or rates of local charges, as calculated pursuant to Sections 42102 and 42102.5, that each local jurisdiction has adopted, not later than December 1 of each year, on its Internet Web site. The posted combined rate shall be the rate that applies to all retail transactions during the calendar year beginning April 1 following the posting.

(2) Notwithstanding paragraph (1), if a local agency notifies the board pursuant to subdivision (d) of Section 42101.5 that the posted rate is inaccurate or it no longer imposes a local charge or local charges or that the rate of its local charge or local charges has decreased, the board shall promptly post a recalculated rate that is applicable to the jurisdiction of that local agency. The change shall become operative on the first day of the calendar quarter commencing more than 60 days from the date the local agency notifies the board of the inaccuracy or that it no longer imposes a local charge or that the rate of its local charge has decreased. Nothing in this section modifies the notice obligations of Section 799 of the Public Utilities Code. However, beginning January 1, 2016, the notification and implementation requirements of paragraphs (5) and (6) of subdivision (a) of Section 799 of the Public Utilities Code shall not apply to prepaid mobile telephony services.

(3) The board shall also separately post on its Internet Web site the individual rates for each of the following:

(A) Each of the Public Utilities Commission surcharges that make up the Public Utilities Commission surcharge portion of the prepaid MTS surcharge, as reported pursuant to Section 319 of the Public Utilities Code.

(B) The rate for the emergency telephone users surcharge reported pursuant to subdivision (d) of Section 41030.

(C) Each of the individual local charges reported pursuant to Section 42101.5.

(4) A seller collecting the prepaid MTS surcharge and local charges pursuant to this part and Part 21.1 (commencing with Section 42100) may

rely upon the accuracy of the information posted on the board's Internet Web site in collecting and remitting all amounts of the prepaid MTS surcharge and local charges.

(d) (1) Except for amounts retained pursuant to subdivision (e), and except as provided in subdivision (f) for a seller that is a direct seller, all amounts of the prepaid MTS surcharge and local charges collected by sellers shall be remitted to the board pursuant to Chapter 3 (commencing with Section 42020).

(2) A seller that is authorized to provide lifeline service under the state lifeline program or federal lifeline program, that sells prepaid mobile telephony services directly to the prepaid customer, shall remit the prepaid MTS surcharge to the board, less any applicable exemption from the surcharge that is applicable to the retail transaction pursuant to Section 42012.

(e) A seller that is not a direct seller shall be permitted to deduct and retain an amount equal to 2 percent of the amounts that are collected by the seller from prepaid consumers for the prepaid MTS surcharge and local charges, on a pro rata basis, according to that portion of the revenues collected by the seller for each of the following:

(1) The emergency telephone users surcharge.

(2) The Public Utilities Commission surcharges.

(3) Local charges.

(f) A direct seller shall remit the prepaid MTS surcharge and local charges as follows:

(1) That portion of the prepaid MTS surcharge that consists of the Public Utilities Commission surcharges shall be remitted to the commission with those reports required by the commission. The amounts remitted to the Public Utilities Commission pursuant to this paragraph shall be deposited into the respective universal service funds created pursuant to Chapter 1.5 (commencing with Section 270) of Part 1 of Division 1 of the Public Utilities Code and to the Public Utilities Commission Utilities Reimbursement Account described in Chapter 2.5 (commencing with Section 401) of Part 1 of Division 1 of the Public Utilities Code.

(2) That portion of the prepaid MTS surcharge that consists of the emergency telephone users surcharge shall be remitted to the board pursuant to the Emergency Telephone Users Surcharge Act (Part 20 (commencing with Section 41001)) for those retail transactions with a prepaid consumer in the state, with a return filed with the board using electronic media. The amount remitted to the board pursuant to this paragraph shall be deposited into the State Emergency Telephone Number Account in the General Fund.

(3) Local charges, if applicable, shall be remitted to the local jurisdiction or local agency imposing the local charge. Remittance of the local charges shall be separately identified from any other local taxes or other charges that are remitted to the local jurisdiction or local entity imposing the local tax or other charge. The amounts remitted to the local jurisdiction or local agency imposing the local charge pursuant to this paragraph shall be deposited into the respective local jurisdiction or local agency account.

(g) A direct seller shall utilize the amounts posted by the board pursuant to subdivision (c) when determining what amounts to remit to the Public Utilities Commission, board, and each local jurisdiction or local agency.

(h) A prepaid MTS provider shall offer prepaid consumers the option to make payment for additional prepaid usage directly to the prepaid MTS provider at the provider's retail location or Internet Web site.

(i) The amount of the combined prepaid MTS surcharge and local charges shall be separately stated on an invoice, receipt, or other similar document that is provided to the prepaid consumer of mobile telephony services by the seller, or otherwise disclosed electronically to the prepaid consumer, at the time of the retail transaction.

(j) The prepaid MTS surcharge that is required to be collected by a seller and any amount unreturned to the prepaid consumer of mobile telephony services that is not owed as part of the surcharge, but was collected from the prepaid consumer under the representation by the seller that it was owed as part of the surcharge, constitute debts owed by the seller to this state. The local charge shall be collected by a seller, and any amount unreturned to the prepaid consumer of mobile telephony services that is not owed as part of the local charge but that was collected from the prepaid consumer under the representation by the seller that it was owed as part of the local charge constitutes a debt owed by the seller jointly to the state, for purposes of collection on behalf of, and payment to, the local jurisdiction and to the local jurisdiction imposing that local charge.

(k) A seller that has collected any amount of prepaid MTS surcharge and local charges in excess of the amount of the surcharge imposed by this part and actually due from a prepaid consumer may refund that amount to the prepaid consumer, even though the surcharge amount has already been paid over to the board and no corresponding credit or refund has yet been secured. Any seller making a refund of any charge to a prepaid consumer may repay therewith the amount of the surcharge paid.

(*l*) (1) Every prepaid consumer of mobile telephony services in this state is liable for the prepaid MTS surcharge and any local charges until they have been paid to this state, except that payment to a seller registered under this part relieves the prepaid consumer from further liability for the surcharge and local charges. Any surcharge collected from a prepaid consumer that has not been remitted to the board shall be a debt owed to the state by the person required to collect and remit the surcharge. Any local charge collected from a prepaid consumer that has not been remitted to the board shall be a debt owed jointly to the state, for purposes of collection on behalf of, and payment to, the local jurisdiction and to the local jurisdiction imposing the local charge by the person required to collect and remit the local charge. Nothing in this part shall impose any obligation upon a seller to take any legal action to enforce the collection of the surcharge or local charge imposed by this section.

(2) A credit shall be allowed against, but shall not exceed, the prepaid MTS surcharge and local charges imposed on any prepaid consumer of mobile telephony services by this part to the extent that the prepaid consumer

has paid emergency telephone users charges, state utility regulatory commission fees, state universal service charges, or local charges on the purchase to any other state, political subdivision thereof, or the District of Columbia. The credit shall be apportioned to the charges against which it is allowed in proportion to the amounts of those charges.

(m) (1) A seller is relieved from liability to collect the prepaid MTS surcharge imposed by this part that became due and payable, insofar as the base upon which the surcharge is imposed is represented by accounts that have been found to be worthless and charged off for income tax purposes by the seller or, if the seller is not required to file income tax returns, charged off in accordance with generally accepted accounting principles. A seller that has previously paid the surcharge may, under rules and regulations prescribed by the board, take as a deduction on its return the amount found worthless and charged off by the seller. If any such accounts are thereafter in whole or in part collected by the seller, the amount so collected shall be included in the first return filed after such collection and the surcharge shall be paid with the return.

(2) The board may by regulation promulgate such other rules with respect to uncollected or worthless accounts as it shall deem necessary to the fair and efficient administration of this part.

SEC. 52. Section 42010.7 is added to the Revenue and Taxation Code, to read:

42010.7. (a) Commencing January 1, 2017, a seller, other than a direct seller, with de minimis sales of prepaid mobile telephony services of less than fifteen thousand dollars ($15,000) during the previous calendar year is not required to collect the prepaid MTS surcharge pursuant to Section 42010. The Department of Finance shall annually review and adjust that de minimis sales threshold as necessary to minimize program administration costs and maintain revenues to support program administration, enforcement, and Public Utilities Commission public purpose programs and rulemaking activities. Any adjustment of the de minimis sales threshold shall become operative on January 1 of the following calendar year. Nothing in this section prevents a seller from collecting and remitting the surcharge on a voluntary basis even if the seller meets the de minimis sales threshold.

(b) For purposes of this section, the de minimis sales threshold shall be based on the aggregate of all sales of prepaid mobile telephone services subject to the local charges at all retail locations operated by the seller and not the individual sales at each retail location operated by the seller.

SEC. 53. Section 42023 of the Revenue and Taxation Code is amended to read:

42023. (a) The Prepaid Mobile Telephony Services Surcharge Fund is hereby created in the State Treasury. The Prepaid MTS 911 Account and the Prepaid MTS PUC Account are hereby created in the fund. The Prepaid Mobile Telephony Services Surcharge Fund shall consist of all surcharges, interest, penalties, and other amounts collected and paid to the board pursuant to this part, less payments of refunds and reimbursements to the board for

expenses incurred in the administration and collection of the prepaid MTS surcharge.

(b) All moneys in the Prepaid Mobile Telephony Services Surcharge Fund attributable to the prepaid MTS surcharge shall be deposited as follows:

(1) That portion of the prepaid MTS surcharge that is for the emergency telephone users surcharge shall be deposited into the Prepaid MTS 911 Account. All moneys deposited into the Prepaid MTS 911 Account shall be transferred to the State Emergency Telephone Number Account in the General Fund and appropriated pursuant to Article 2 (commencing with Section 41135) of Chapter 7 of Part 20.

(2) That portion of the prepaid MTS surcharge that is for the Public Utilities Commission surcharges shall be deposited into the Prepaid MTS PUC Account. All moneys deposited in the Prepaid MTS PUC Account shall be allocated and transferred to the respective universal service funds created pursuant to Chapter 1.5 (commencing with Section 270) of Part 1 of Division 1 of the Public Utilities Code and to the Public Utilities Commission Utilities Reimbursement Account described in Chapter 2.5 (commencing with Section 401) of, Part 1 of Division 1 of the Public Utilities Code. The Public Utilities Commission shall allocate the moneys deposited into the Prepaid MTS PUC Account to the respective universal service funds and to the Public Utilities Commission Utilities Reimbursement Account and shall report to the Controller at the beginning of each calendar month for the months preceding, or other period as determined necessary by the Public Utilities Commission, on its allocation of those funds.

SEC. 54. Section 42023.5 is added to the Revenue and Taxation Code, to read:

42023.5. (a) To provide adequate cashflow for expenses incurred by the board in the administration and collection of the prepaid MTS surcharge, the Director of Finance may approve a short-term loan in the 2015–16 fiscal year from the General Fund to the Prepaid Mobile Telephony Services Surcharge Fund.

(b) For the purposes of this section, a short-term loan is a transfer that is made subject to the following conditions:

(1) Any amount loaned is to be repaid in full during the same fiscal year in which the loan was made, except that the repayment may be delayed until a date not more than six months after the date of enactment of the annual Budget Act for the subsequent fiscal year.

(2) Loans shall be repaid whenever the funds are needed to meet cash expenditure needs in the loaning fund or account.

SEC. 55. Section 42101.7 is added to the Revenue and Taxation Code, to read:

42101.7. (a) Commencing January 1, 2017, a seller, other than a direct seller, with de minimis sales of prepaid mobile telephony services of less than fifteen thousand dollars ($15,000) during the previous calendar year is not required to collect local charges pursuant to Section 42101.5. The Department of Finance shall annually review and adjust that de minimis sales threshold as necessary to minimize program administration costs and

maintain revenues to support program administration, enforcement, and Public Utilities Commission public purpose programs and rulemaking activities. Any adjustment of the de minimis sales threshold shall become operative on January 1 of the following calendar year. Nothing in this section prevents a seller from collecting and remitting the surcharge on a voluntary basis even if the seller meets the de minimis sales threshold.

(b) For purposes of this section, the de minimis sales threshold shall be based on the aggregate of all sales of prepaid mobile telephone services subject to the local charges at all retail locations operated by the seller and not the individual sales at each retail location operated by the seller.

SEC. 56. Section 42104 is added to the Revenue and Taxation Code, to read:

42104. (a) To provide adequate cashflow for expenses incurred by the board in the administration and collection of the local charges, the Director of Finance may approve a short-term loan in the 2015–16 fiscal year from the General Fund to the Local Charges for Prepaid Mobile Telephony Services Fund.

(b) For the purposes of this section, a short-term loan is a transfer that is made subject to the following conditions:

(1) Any amount loaned is to be repaid in full during the same fiscal year in which the loan was made, except that the repayment may be delayed until a date not more than six months after the date of enactment of the annual Budget Act for the subsequent fiscal year.

(2) Loans shall be repaid whenever the funds are needed to meet cash expenditure needs in the loaning fund or account.

SEC. 57. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act or because costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 58. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

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